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By: Daniel N. Hovine

H. B. No. 3423

I certify this to be a true and correct copy of the indicated document as referred or transmitted to committee.

Chief Clerk of the House

A BILL TO BE ENTITLED

AN ACT

relating to the creation, administration, powers, duties, operation, and financing of the Victoria County Groundwater Conservation District.

FILED MAR 11 2005

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. CREATION. A groundwater conservation district to be known as the Victoria County Groundwater Conservation District, is created in Victoria County under Article XVI, § 59, of the Texas Constitution, subject to approval at a confirmation election under Section 7 of this Act. The district is a governmental agency and a body politic and corporate.

SECTION 2. DEFINITIONS.

- (a) "District" means the Victoria County Groundwater District.
- (b) "Board" means the district's board of directors.

SECTION 3. LEGISLATIVE FINDINGS.

- (a) the organization of the district is feasible and practicable;
- (b) all of the land to be included in, and the residents of, the district will be benefited by the creation of the district;
- (c) there is a public necessity for the district; and
- (d) the creation of the district will provide a benefit and utility to the public.

SECTION 4. BOUNDARIES. The district is composed of all the territory located within Victoria County.

SECTION 5. APPLICATION OF CHAPTER 36, WATER CODE; GENERAL POWERS AND DUTIES. Except to the extent of any conflict with this Act or as specifically limited by this Act,

1 the district is governed by and subject to Chapter 36, Water Code, and may exercise the powers
2 contained in this chapter, including the power to issue bonds and levy and collect taxes, not to
3 exceed two cents on the \$100 valuation of taxable property in the district, upon approval of the
4 voters at the election provided in Section 7 of this Act. The district shall not exercise the power
5 of eminent domain provided by Section 36.105, Water Code.

6 SECTION 6. TEMPORARY DIRECTORS.

- 7 (a) Not later than ten (10) days after the effective date of this Act, Victoria County
8 Commissioners Court shall appoint five (5) persons to serve as temporary
9 directors of the district. One director shall be appointed from each county
10 commissioner precinct and one director shall be appointed from the county at
11 large.
- 12 (b) If a temporary director fails to qualify for office or if a vacancy occurs in the
13 office of temporary director for any reason, the remaining temporary directors
14 shall select a qualified person to fill the vacancy. If, at any time, there are fewer
15 than three qualified temporary directors, the Victoria County Commissioners
16 Court shall appoint the necessary number of persons to fill all vacancies on the
17 board.
- 18 (c) The temporary directors shall select from their members persons to serve as
19 chairman, vice-chairman and secretary.
- 20 (d) The temporary directors shall serve until they shall have declared the district
21 created, at which time they become the initial directors of the district pursuant to
22 Section 9 of this Act.
- 23 (e) To be qualified to serve as a temporary director, a person must be a resident of

1 Victoria County and at least 18 years of age.

2 SECTION 7. CREATION ELECTION.

3 (a) Not later than the 30th day after the effective date of this Act, and without the
4 necessity of having a petition presented, the temporary directors shall meet and
5 shall call an election to be held not later than the 120th day after the effective date
6 of this Act within the boundaries of the proposed district to approve the creation
7 of the district.

8 (b) Section 41.001(a), Election Code, does not apply to an election called under this
9 section.

10 (c) The ballot for the election shall be printed to provide for or against the following
11 propositions:

- 12 (1) the creation of the Victoria County Groundwater Conservation District;
13 and
14 (2) the levy and collection of a property tax in the district, not to exceed two
15 cents on the \$100 valuation of taxable property in the district.

16 (d) The temporary board may include other propositions on the ballot that it considers
17 necessary.

18 (e) If a majority of votes cast at the election favor the creation of the district, the
19 temporary directors shall declare the district created. If a majority of the votes
20 cast at the election are against the creation of the district, the temporary directors
21 shall declare the district defeated. The temporary directors shall file a copy of the
22 election results with the Texas Commission on Environmental Quality.

23 (f) If the creation of the district is defeated, further elections may be called and held

1 after the first anniversary of the most recent creation election. If the district is not
2 created within five years after the effective date of this Act, this Act expires.

3 SECTION 8. INITIAL DIRECTORS.

4 (a) On approval of the creation of the district under Section 7 of this Act, the
5 temporary directors become the initial directors of the district and shall serve on
6 the board for terms as provided by Subsection (b) of this section.

7 (b) The persons serving as directors for Precincts 1 and 3 shall serve as directors until
8 the first regular meeting of the board following the first regular directors' election
9 for Precincts 1 and 3. The persons serving as directors for Precincts 2 and 4 and
10 the director serving at large shall serve until the first regular meeting of the board
11 following the second regular directors' election for Precincts 2 and 4 and the
12 director serving at large.

13 (c) If, for any reason, an elected director shall not be qualified to take office at the
14 first regular meeting of the board following his or her election, the initial director
15 for that precinct shall continue to serve until a successor shall have been qualified.

16 SECTION 9. BOARD OF DIRECTORS.

17 (a) The board of directors of the district is composed of five members.

18 (b) One member shall be elected from each county commissioner precinct in Victoria
19 County by the voters of that precinct, and one director shall be elected from
20 Victoria County at large.

21 (c) A vacancy in the office of director shall be filled by appointment of the board
22 until the next election for directors. If the position is not scheduled to be filled at
23 the election, the person elected to fill the position shall serve only for the

1 remainder of the unexpired term.

2 SECTION 10. ELECTION OF REGULAR DIRECTORS. Beginning in the first even-
3 numbered year following the creation election, an election shall be held on the first Tuesday after
4 the first Monday election date in November every two years to elect the appropriate number of
5 directors to the board. At the first election, directors for Precincts 1 and 3 shall be elected. At
6 the next election, directors for Precincts 2 and 4 and the at-large director shall be elected.

7 SECTION 11. QUALIFICATIONS OF BOARD MEMBERS.

8 (a) To be qualified for election as a director, a person must be a resident of the district
9 and must be at least 18 years of age.

10 (b) In addition to the requirements of Subsection (a) of this section, a person who is
11 an elected director from a county commissioners precinct must be a resident of
12 that precinct.

13 SECTION 12. TERM OF OFFICE. Except for the temporary and initial directors of the district,
14 directors shall serve for terms of four years.

15 SECTION 13. LIMITATION ON TAXATION. The district may not impose an ad valorem tax
16 at a rate that exceeds two cents on the \$100 valuation of taxable property in the district.

17 SECTION 14. FINDINGS RELATED TO PROCEDURAL REQUIREMENTS.

18 (a) The proper and legal notice of the intention to introduce this Act, setting forth the
19 general substance of this Act, has been published as provided by law, and the
20 notice and a copy of this Act have been furnished to all persons, agencies,
21 officials, or entities to which they are required to be furnished by the constitution
22 and other laws of this state, including the governor, who has submitted the notice
23 and Act to the Texas Commission on Environmental Quality.

1 (b) The Texas Commission on Environmental Quality has filed its recommendations
2 relating to this Act with the governor, lieutenant governor, and speaker of the
3 house of representatives within the required time.

4 (c) All requirements of the constitution and laws of this state and the rules and
5 procedures of the legislature with respect to the notice, introduction, and passage
6 of this Act are fulfilled and accomplished.

7 SECTION 15. REPEALER. Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, is
8 hereby repealed.

9 SECTION 16. This Act takes effect September 1, 2005.

The State of Texas,
County of Victoria

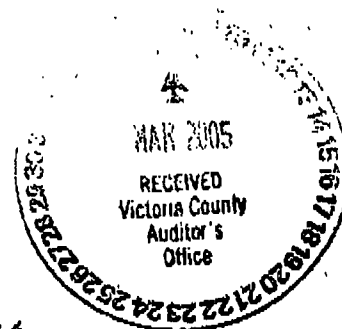
**NOTICE OF INTENT TO
INTRODUCE LEGISLATION**
This is to give notice of intent
to introduce in the 79th Legis-
lature, Regular Session, a bill
to be entitled an Act relating to
creation of the Victoria County
Groundwater Conservation
District within the boundaries
of Victoria County; providing
for powers of the district; an
approval election, and repeal
of the existing Crossroads
Groundwater Conservation
District. This Notice is pro-
vided by the Victoria County
Commissioners Court.
Donald R. Pozzi
(133)

Before me, the undersigned authority, on this day personally appeared Sandra Rodriguez
who being by me duly sworn, states on oath that she is the Classified Bookkeeper of
the Victoria Advocate, a newspaper published in Victoria, Victoria County, Texas and
generally circulated in Bee, Calhoun, Colorado, Dewitt, Fayette, Goliad, Gonzales,
Jackson, Karnes, Lavaca, Matagorda, Refugio, Wharton & Victoria Counties,
that the attached printed notice in the case of VICTORIA COUNTY JUDGES OFFICE

LEGAL #2005133

was published in The Victoria Advocate on the following dates:

FEBRUARY 16, 2005



Sandra Rodriguez

SANDRA RODRIGUEZ
CLASSIFIED BOOKKEEPER

Sworn to and subscribed before me this 23rd day of FEBRUARY, 2005

Rose M. Koenig
Notary Public in and for Victoria County, Texas



VICTORIA ADVOCATE, Wednesday, February 16, 2005--5B

**NOTICE OF INTENT TO
INTRODUCE LEGISLATION**

This is to give notice of intent to introduce in the 79th Legislature, Regular Session, a bill to be entitled an Act relating to creation of the Victoria County Groundwater Conservation District within the boundaries of Victoria County, providing for powers of the district, an approval election, and repeal of the existing Crossroads Groundwater Conservation District. This Notice is provided by the Victoria County Commissioners Court.
Donald R. Pozzi
(133)

HOUSE COMMITTEE REPORT

1st Printing

05 APR 28 PM 5: 03
HOUSE OF REPRESENTATIVES

By: Morrison

H.B. No. 3423

Substitute the following for H.B. No. 3423:

By: Hope

C.S.H.B. No. 3423

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Victoria County Groundwater Conservation District; providing authority to impose a tax and issue bonds; abolishing the Crossroads Groundwater Conservation District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8812 to read as follows:

CHAPTER 8812. VICTORIA COUNTY GROUNDWATER

CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8812.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Victoria County Groundwater Conservation District.

Sec. 8812.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Victoria County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8812.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held before September 1, 2010:

1 (1) the district is dissolved on September 1, 2010,
2 except that:

3 (A) any debts incurred shall be paid;

4 (B) any assets that remain after the payment of
5 debts shall be transferred to Victoria County; and

6 (C) the organization of the district shall be
7 maintained until all debts are paid and remaining assets are
8 transferred; and

9 (2) this chapter expires on September 1, 2013.

10 Sec. 8812.004. INITIAL DISTRICT TERRITORY. The initial
11 boundaries of the district are coextensive with the boundaries of
12 Victoria County, Texas.

13 Sec. 8812.005. APPLICABILITY OF OTHER GROUNDWATER
14 CONSERVATION DISTRICT LAW. Except as otherwise provided by this
15 chapter, Chapter 36, Water Code, applies to the district.

16 [Sections 8812.006-8812.020 reserved for expansion]

17 SUBCHAPTER A-1. TEMPORARY PROVISIONS

18 Sec. 8812.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a)
19 Not later than the 10th day after September 1, 2005, the Victoria
20 County Commissioners Court shall appoint five temporary directors
21 as follows:

22 (1) one temporary director shall be appointed from
23 each of the four commissioner precincts in the county to represent
24 the precinct in which the temporary director resides; and

25 (2) one temporary director who resides in the district
26 shall be appointed to represent the district at large.

27 (b) If there is a vacancy on the temporary board of

1 directors of the district, the remaining temporary directors shall
2 select a qualified person to fill the vacancy. If, at any time,
3 there are fewer than three qualified temporary directors, the
4 Victoria County Commissioners Court shall appoint the necessary
5 number of persons to fill all vacancies on the board.

6 (c) To be eligible to serve as a temporary director, a
7 person must be a resident of Victoria County and at least 18 years
8 of age.

9 (d) Temporary directors serve until the earlier of:

10 (1) the time the temporary directors become initial
11 directors as provided by Section 8812.024; or

12 (2) the date this chapter expires under Section
13 8812.003.

14 Sec. 8812.022. ORGANIZATIONAL MEETING OF TEMPORARY
15 DIRECTORS. As soon as practicable after all the temporary
16 directors have qualified under Section 36.055, Water Code, a
17 majority of the temporary directors shall convene the
18 organizational meeting of the district at a location within the
19 district agreeable to a majority of the directors. If an agreement
20 on location cannot be reached, the organizational meeting shall be
21 at the Victoria County Courthouse. At the meeting, the temporary
22 directors shall elect a chair, vice chair, and secretary from among
23 the temporary directors.

24 Sec. 8812.023. CONFIRMATION ELECTION. (a) Not later than
25 the 30th day after September 1, 2005, the temporary board shall
26 order an election to be held not later than the 120th day after
27 September 1, 2005, to confirm the creation of the district.

1 (b) Section 41.001(a), Election Code, does not apply to a
2 confirmation election held as provided by this section.

3 (c) The ballot for the election must be printed to permit
4 voting for or against the following propositions:

5 (1) the creation of the district; and

6 (2) the imposition of an ad valorem tax in the district
7 at a rate not to exceed two cents for each \$100 of assessed
8 valuation.

9 (d) The temporary board may include any other proposition on
10 the ballot that it considers necessary.

11 (e) Except as provided by this section, a confirmation
12 election must be conducted as provided by Section 36.017(b)-(i),
13 Water Code, and the Election Code. The provision of Section
14 36.017(d), Water Code, relating to the election of permanent
15 directors does not apply to a confirmation election under this
16 section.

17 (f) If the creation of the district is not confirmed at a
18 confirmation election held under this section, the board may hold
19 another confirmation election not sooner than the first anniversary
20 of the most recent confirmation election.

21 Sec. 8812.024. INITIAL DIRECTORS. (a) If creation of the
22 district is confirmed at an election held under Section 8812.023,
23 the temporary directors of the district become the initial
24 directors of the district and serve on the board of directors until
25 permanent directors are elected under Section 8812.025.

26 (b) The directors for county commissioner precincts one and
27 three serve until the first regularly scheduled election of

1 directors under Section 8812.025. The directors for precincts two
2 and four and the director at large serve until the second regularly
3 scheduled election of directors under Section 8812.025.

4 Sec. 8812.025. INITIAL ELECTION OF PERMANENT DIRECTORS. On
5 the uniform election date prescribed by Section 41.001, Election
6 Code, in November of the first even-numbered year after the year in
7 which the creation of the district is confirmed at an election held
8 under Section 8812.023, an election shall be held in the district
9 for the election of two directors to replace the initial directors
10 who, under Section 8812.024(b), serve until that election.

11 Sec. 8812.026. EXPIRATION OF SUBCHAPTER. This subchapter
12 expires September 1, 2013.

13 [Sections 8812.027-8812.050 reserved for expansion]

14 SUBCHAPTER B. BOARD OF DIRECTORS

15 Sec. 8812.051. DIRECTORS; TERMS. (a) The district is
16 governed by a board of five directors.

17 (b) Directors serve staggered four-year terms.

18 Sec. 8812.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS
19 PRECINCTS. (a) The directors of the district shall be elected
20 according to the commissioners precinct method as provided by this
21 section.

22 (b) One director shall be elected by the voters of the
23 entire district, and one director shall be elected from each county
24 commissioners precinct by the voters of that precinct.

25 (c) Except as provided by Subsection (e), to be eligible to
26 be a candidate for or to serve as director at large, a person must be
27 at least 18 years of age and a resident of the district. To be a

1 candidate for or to serve as director from a county commissioners
2 precinct, a person must be at least 18 years of age and a resident of
3 that precinct.

4 (d) A person shall indicate on the application for a place
5 on the ballot:

6 (1) the precinct that the person seeks to represent;
7 or

8 (2) that the person seeks to represent the district at
9 large.

10 (e) When the boundaries of the county commissioners
11 precincts are redrawn after each federal decennial census to
12 reflect population changes, a director in office on the effective
13 date of the change, or a director elected or appointed before the
14 effective date of the change whose term of office begins on or after
15 the effective date of the change, shall serve in the precinct to
16 which elected or appointed even though the change in boundaries
17 places the person's residence outside the precinct for which the
18 person was elected or appointed.

19 Sec. 8812.053. ELECTION DATE. The district shall hold an
20 election to elect the appropriate number of directors on the
21 uniform election date prescribed by Section 41.001, Election Code,
22 in November of each even-numbered year.

23 Sec. 8812.054. VACANCIES. A vacancy on the board shall be
24 filled by appointment of the board until the next regularly
25 scheduled directors' election. The person appointed to fill the
26 vacancy shall serve only for the remainder of the unexpired term.

27 [Sections 8812.055-8812.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 8812.101. PROHIBITION ON DISTRICT USE OF EMINENT
3 DOMAIN. The district may not exercise the power of eminent domain.

4 [Sections 8812.102-8812.150 reserved for expansion]

5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

6 Sec. 8812.151. LIMITATION ON TAXES. The district may not
7 impose ad valorem taxes at a rate that exceeds two cents on each
8 \$100 of assessed valuation of taxable property in the district.

9 SECTION 2. Chapter 1332, Acts of the 77th Legislature,
10 Regular Session, 2001, is repealed.

11 SECTION 3. (a) The legal notice of the intention to
12 introduce this Act, setting forth the general substance of this
13 Act, has been published as provided by law, and the notice and a
14 copy of this Act have been furnished to all persons, agencies,
15 officials, or entities to which they are required to be furnished
16 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
17 Government Code.

18 (b) The governor has submitted the notice and Act to the
19 Texas Commission on Environmental Quality.

20 (c) The Texas Commission on Environmental Quality has filed
21 its recommendations relating to this Act with the governor,
22 lieutenant governor, and speaker of the house of representatives
23 within the required time.

24 (d) All requirements of the constitution and laws of this
25 state and the rules and procedures of the legislature with respect
26 to the notice, introduction, and passage of this Act are fulfilled
27 and accomplished.

COMMITTEE REPORT

The Honorable Tom Craddick
Speaker of the House of Representatives

4/18/05
(date)

Sir:
We, your COMMITTEE ON NATURAL RESOURCES
to whom was referred HB 3423 have had the same under consideration and beg to report
back with the recommendation that it

- ☐ do pass, without amendment.
- ☐ do pass, with amendment(s).
- ☒ do pass and be not printed; a Complete Committee Substitute is recommended in lieu of the original measure.
- ☒ yes ☐ no A fiscal note was requested.
- ☐ yes ☒ no A criminal justice policy impact statement was requested.
- ☐ yes ☒ no An equalized educational funding impact statement was requested.
- ☐ yes ☒ no An actuarial analysis was requested.
- ☒ yes ☐ no A water development policy impact statement was requested.
- ☐ yes ☒ no A tax equity note was requested.
- ☒ The Committee recommends that this measure be sent to the Committee on Local and Consent Calendars.

For Senate Measures: House Sponsor _____

Joint Sponsors: _____ / _____ / _____

Co-Sponsors: _____

The measure was reported from Committee by the following vote:

	AYE	NAY	PNV	ABSENT
Puente, Chair	X			
Callegari, Vice-chair	X			
Bonnen	X			
Campbell	X			
Geren	X			
Hardcastle	X			
Hilderbran				X
Hope	X			
Laney	X			

Total
8 aye
0 nay
0 present, not voting
1 absent

ALT AMT
CHAIR

BILL ANALYSIS

C.S.H.B. 3423
By: Morrison
Natural Resources
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Texas faces a difficult challenge to develop water policies that serve state and regional interests. The Texas Constitution authorizes the creation of groundwater conservation districts to plan, develop, and regulate the use of water. C.S.H.B. 3423 creates the Victoria Country Groundwater Conservation District, subject to approval at a confirmation election, to manage groundwater resources in Victoria County.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Section 1:

Sec. 8812.001. DEFINITIONS. Defines "board," "director," and "district."

Sec. 8812.002. NATURE OF DISTRICT. Provides that the Victoria County Groundwater Conservation District (district) is a groundwater conservation district in Victoria County.

Sec. 8812.003. CONFIRMATION ELECTION REQUIRED. Provides that if the creation of the district is not confirmed at a confirmation election held before September 1, 2010, the district is dissolved on September 1, 2010, with certain exceptions, and this chapter expires on September 1, 2013.

Sec. 8812.004. INITIAL DISTRICT TERRITORY. Provides that the initial boundaries of the district are coextensive with the boundaries of Victoria County, Texas.

Sec. 8812.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Provides that, except as otherwise provided by this chapter, Chapter 36, Water Code, applies to the district.

[Reserves Sections 8812.006-8812.020 for expansion.]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8812.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a) Requires five temporary directors to be appointed to the board of directors of the district not later than the 10th day after September 1, 2005. Sets forth which entities or officials are required to appoint directors, and specifies from which regions the directors must be chosen.

(b) Sets forth the procedure for filling a vacancy on the temporary board of directors.

(c) Sets forth the end of the temporary directors' terms.

Sec. 8812.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Requires a majority of the temporary directors, as soon as practicable after all the

temporary directors have qualified under Section 36.055 (Sworn Statement, Bond, and Oath of Office), Water Code, to convene the organizational meeting of the district, and sets forth the criteria for choosing a location for said meeting.

Sec. 8812.023. CONFIRMATION ELECTION. (a) Requires the temporary directors to hold an election to confirm the creation of the district.

(b) Provides that Section 41.001(a) (setting forth the uniform dates of the general or special elections), Election Code, does not apply to a confirmation election held as provided by this section.

(c) Requires the ballot for the election to be printed to provide for voting for or against the proposition: the creation of the district and the imposition of a ad valorem tax at a rate not to exceed two cents for each \$100 of assessed valuation.

(d) Provides that the temporary board include any other necessary propositions.

(e) Requires the election to be conducted in accordance with certain provisions of the Water Code and the Election Code. Provides that Section 36.017(d) (setting forth the form and content of the ballot), Water Code, does not apply to a confirmation election under this section.

(f) Authorizes the temporary directors, if a majority of the votes cast at the election are not in favor of the creation of the district, to hold a subsequent confirmation election and sets forth at what date the election may be held.

Sec. 8812.024. INITIAL DIRECTORS. (a) Provides that, if the creation of the district is confirmed at the confirmation election, the temporary directors of the district become the initial directors of the district and serve on the board until permanent directors are elected.

(b) Sets forth the expiration dates of the respective terms of the initial directors.

Sec. 8812.025. INITIAL ELECTION OF PERMANENT DIRECTORS. Sets forth the date of the first election of two permanent directors to replace two initial directors.

Sec. 8812.026. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2013.

[Reserves Sections 8812.027-8812.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8812.051. DIRECTORS; TERMS. (a) Provides that the district is governed by a board of five directors.

(b) Sets forth the schedule for directors to serve staggered four-year terms.

Sec. 8812.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) Requires the directors of the district to be elected according to the commissioners precinct method as provided by this section.

(b) Requires one director to be elected by the voters of the entire district, and one director to be elected from each county commissioners precinct by the voters of that precinct.

(c) Sets forth the eligibility requirements for candidacy for or to serve as director at large and the requirements to be eligible to be a candidate for or to serve as a director from a county commissioners precinct. Creates an exception, as provided by Subsection (e), to these requirements.

(d) Requires the person to indicate on the application for a place on the ballot either the precinct that the person seeks to represent or that the person seeks to represent the district at large.

(e) Provides that a director already in office when the boundaries of the county commissioners precinct are redrawn after a census remains in office in the precinct to which elected or appointed the director, even if the director's residence no longer falls within the boundaries.

Sec. 8812.053. ELECTION DATE. Requires the district to hold an election to elect the appropriate number of directors on the uniform election date in November of each even-numbered year.

Sec. 8812.054. VACANCIES. A vacancy on the board shall be filled by appointment until the next regularly scheduled directors' election. The appointed person shall only serve for the remainder of the unexpired term.

[Reserves Sections 8812.055-8812.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8812.101. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain.

[Reserves Sections 8812.102-8812.150 for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8812.151. LIMITATION ON TAXES. The district may not impose an ad valorem tax at a rate that exceeds two cents for each \$100 of assessed valuation of taxable property in the district.

SECTION 2: Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, is repealed.

SECTION 3: Provides that all requirements of the constitution, state laws, and rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

EFFECTIVE DATE

This Act takes effect September 1, 2005.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 3423 is significantly edited and reformatted to conform to Legislative Council drafting guidelines and provides specific enabling act language regarding temporary directors, confirmation election, initial directors, method of electing permanent directors, finance, and the general powers and duties of a groundwater district.

SUMMARY OF COMMITTEE ACTION

HB 3423

April 11, 2005 2:00PM or upon final adjourn./recess

Considered in public hearing

Committee substitute considered in committee

Testimony taken in committee (See attached witness list.)

Left pending in committee

April 18, 2005 2:00PM or upon final adjourn./recess

Considered in public hearing

Committee substitute considered in committee

Recommended to be sent to Local & Consent

Reported favorably as substituted

WITNESS LIST

HB 3423
HOUSE COMMITTEE REPORT
Natural Resources Committee

April 11, 2005 - 2:00PM or upon final adjourn./recess

For: Burns, Gary (Victoria County Commissioners Court)

5

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 19, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation of the Victoria County Groundwater Conservation District; providing authority to impose a tax and issue bonds; abolishing the Crossroads Groundwater Conservation District.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, WK, DLBa

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 8, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation, administration, powers, duties, operation, and financing of the Victoria County Groundwater Conservation District.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, WK, DLBa

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

79TH LEGISLATIVE REGULAR SESSION

April 21, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation of the Victoria County Groundwater Conservation District; providing authority to impose a tax and issue bonds; abolishing the Crossroads Groundwater Conservation District.), **Committee Report 1st House, Substituted**

The Legislative Budget Board in cooperation with the Water Development Board (TWDB) and Texas Commission on Environmental Quality (TCEQ), has determined the following:

Subject to a confirmation election, the bill would create the Victoria County Groundwater Conservation District (District) providing for the powers, duties, administration, operations and financing of the District. The bill authorizes the District with the powers and duties of Texas Water Code, Chapter 36, related to the general law for Groundwater Conservation Districts (GCDs).

1) Population- The Victoria County population projections to be used in the 2007 State Water Plan show significant growth from a 2000 population of 84,088 to 93,073 in 2010.

2) Location & Size- The District's boundaries would be coextensive with the boundaries of Victoria County.

3) Powers- Same as general law GCDs under Texas Water Code, Chapter 36, with some taxing and regulatory limitations as noted below.

4) District Finances- Same as general law GCDs under Texas Water Code, Chapter 36, with the taxing limitation noted below. District finances under Chapter 36 include issuance of bonds and notes; levying of taxes for maintenance and operation expenses and for the repayment of bonds and notes; and, assessment of production fees, export fees, and administrative fees.

5) Board of Directors- The District would be governed by a board of five elected permanent directors serving staggered four-year terms. Unlike general law GCDs, directors would be elected according to the commissioners precinct method with one director elected from each county commissioners precinct and one director elected at-large. Temporary directors are to be appointed by the commissioner's court within ten days of the effective date of the Act. The temporary directors are responsible for scheduling and conducting the District's confirmation election within 120 days of the effective date of the Act. The temporary directors become the initial directors if the District is confirmed by the voters. Two initial directors would serve until the first permanent directors election in November of the first even-numbered year after the year in which the District is confirmed by election, and the other three initial directors would serve until the second permanent directors election in November of the second even-numbered year. The appropriate number of directors would then be elected in November of each subsequent second year. General law GCDs under Texas Water Code, Chapter 36, have 5 to 11 directors elected by the general precinct method. In some general law GCD creation cases, commissioners' courts are provided 90 days to appoint temporary directors.

6) Eminent Domain- Unlike general law GCDs under Texas Water Code, Chapter 36, the District is prohibited from exercising the power of eminent domain.

7) Ability to Tax- Similar to general law GCDs under Texas Water Code, Chapter 36, the District is authorized to levy a maintenance tax and to levy a tax for the repayment of bonds or notes. Both types of taxes are subject to voter authorization. The District may not levy a tax that exceeds \$0.02 per \$100 assessed

valuation of property. Under Texas Water Code, Chapter 36, the maintenance tax for general law GCDs may not exceed \$0.50 per \$100 assessed valuation and the tax rate for the repayment of bonds or notes is not limited.

8) Ability To Exclude Property- As with general law for GCDs, there are no provisions to exclude property.

9) Overlapping Services- There is one GCD in Victoria County. The bill provides for the repeal of Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, (HB2643), governing the existing Crossroads Groundwater Conservation District in Victoria County. However, the bill does not provide for the repeal of Chapter 966, Article 3, Part 2, Acts of the 77th Legislature, Regular Session, 2001, (SB2, Article 3, Part 2), which also governs the existing Crossroads Groundwater Conservation District.

The primary functions of GCDs are conservation and management of groundwater resources through data collection, rules and well permitting within their boundaries. These functions do not conflict with the services provided by the other water utilities or districts in the same area. The District's boundaries include the service areas of other water utilities and districts with Certificates of Convenience and Necessity (CCN). The other known water supply or sewer-service corporations, investor-owned utilities, or local water districts or authorities in the District are the Guadalupe-Blanco River Authority, the Quail Creek MUD (Reg. No. P0425), the Victoria County Drainage Districts 2 and 3, the Victoria County Navigation District, the Victoria County WCIDs 1 (Reg. No. P0478) and 2 (P0479), the Aquasource Utility Inc. (CCN Nos. 11157 & 20453), the City of Victoria (CCN Nos. 10722 & 20297, the H 2 O Systems Plus (CCN No. 11548), the North Victoria Utilities Inc. (CCN No. 11817), and Victoria County (Reg. No. P0022).

10) Adequacy of Boundary Description- The District's boundaries would be the same as the county boundaries of Victoria County and form a closure. The District is located in Groundwater Management Area 15 designated by the Texas Water Development Board for the central part of the Gulf Coast aquifer. Victoria County is not located within a Priority Groundwater Management Area designated by the TCEQ.

11) Comments on Powers /Duties Different from Similar Types of Districts- Unlike general law GCDs under Texas Water Code, Chapter 36, the temporary directors can hold subsequent elections after a one-year time period, if creation of the District is defeated by the voters. If the District is not confirmed by the fifth anniversary of the effective date of the Act, the Act will expire. General law GCDs under Chapter 36 are not authorized to have subsequent creation elections. The Act, if passed, would take effect on September 1, 2005.

12) TCEQ's Supervision- Same as for general law GCDs, including bond review authority. The TCEQ's supervision authority as it is related to the District's development and implementation of a groundwater management plan would be the same as for general law GCDs. As with general law GCDs, the District would not have to comply with TCEQ financial auditing requirements.

13) State Water Plan Objectives- Water Use: Within Victoria County, 98 percent of the total water use was groundwater in the year 2000. Fifty-six percent of the groundwater use was for municipal purposes. The proposed district would be partially located over the Gulf Coast Aquifer. The county's total water use to be included in the 2007 State Water Plan is projected to grow relatively little, from a year 2000 total of 48,794 acre feet of use to 50,992 acre feet of use in 2050.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: JOB, WK

LEGISLATIVE BUDGET BOARD

Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation, administration, powers, duties, operation, and financing of the Victoria County Groundwater Conservation District.), **As Introduced**

The Legislative Budget Board in cooperation with the Water Development Board (TWDB) and Texas Commission on Environmental Quality (TCEQ), has determined the following:

Subject to a confirmation election, the bill would create the Victoria County Groundwater Conservation District (District) providing for the powers, duties, administration, operations and financing of the District. The bill authorizes the District with the powers and duties of Texas Water Code, Chapter 36, related to the general law for Groundwater Conservation Districts (GCDs).

- 1) **Population-** The Victoria County population projections to be used in the 2007 State Water Plan show significant growth from a 2000 population of 84,088 to 93,073 in 2010.
- 2) **Location & Size-** The District's boundaries would be coextensive with the boundaries of Victoria County.
- 3) **Powers-** Same as general law GCDs under Texas Water Code, Chapter 36, with some taxing and regulatory limitations as noted below.
- 4) **District Finances-** Same as general law GCDs under Texas Water Code, Chapter 36, with the taxing limitation noted below. District finances under Chapter 36 include issuance of bonds and notes; levying of taxes for maintenance and operation expenses and for the repayment of bonds and notes; and, assessment of production fees, export fees, and administrative fees.
- 5) **Board of Directors-** The District would be governed by a board of five elected permanent directors serving staggered four-year terms. Unlike general law GCDs, directors would be elected according to the commissioners precinct method with one director elected from each county commissioners precinct and one director elected at-large. Temporary directors are to be appointed by the commissioner's court within ten days of the effective date of the Act. The temporary directors are responsible for scheduling and conducting the District's confirmation election within 120 days of the effective date of the Act. The temporary directors become the initial directors if the District is confirmed by the voters. Two initial directors would serve until the first permanent directors election in November of the first even-numbered year after the year in which the District is confirmed by election, and the other three initial directors would serve until the second permanent directors election in November of the second even-numbered year. The appropriate number of directors would then be elected in November of each subsequent second year. General law GCDs under Texas Water Code, Chapter 36, have 5 to 11 directors elected by the general precinct method. In some general law GCD creation cases, commissioners' courts are provided 90 days to appoint temporary directors.
- 6) **Eminent Domain-** Unlike general law GCDs under Texas Water Code, Chapter 36, the District is prohibited from exercising the power of eminent domain.
- 7) **Ability to Tax-** Similar to general law GCDs under Texas Water Code, Chapter 36, the District is authorized to levy a maintenance tax and to levy a tax for the repayment of bonds or notes. Both types of taxes are subject to voter authorization. The District may not levy a tax that exceeds \$0.02 per \$100 assessed valuation of property. Under Texas Water Code, Chapter 36, the maintenance tax for general law GCDs may not exceed \$0.50 per \$100 assessed valuation and the tax rate for the repayment of bonds or notes is not

limited.

8) Ability To Exclude Property- As with general law for GCDs, there are no provisions to exclude property.

9) Overlapping Services- There is one GCD in Victoria County. The bill provides for the repeal of Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, (HB2643), governing the existing Crossroads Groundwater Conservation District in Victoria County. However, the bill does not provide for the repeal of Chapter 966, Article 3, Part 2, Acts of the 77th Legislature, Regular Session, 2001, (SB2, Article 3, Part 2), which also governs the existing Crossroads Groundwater Conservation District.

The primary functions of GCDs are conservation and management of groundwater resources through data collection, rules and well permitting within their boundaries. These functions do not conflict with the services provided by the other water utilities or districts in the same area. The District's boundaries include the service areas of other water utilities and districts with Certificates of Convenience and Necessity (CCN). The other known water supply or sewer-service corporations, investor-owned utilities, or local water districts or authorities in the District are the Guadalupe-Blanco River Authority, the Quail Creek MUD (Reg. No. P0425), the Victoria County Drainage Districts 2 and 3, the Victoria County Navigation District, the Victoria County WCIDs 1 (Reg. No. P0478) and 2 (P0479), the Aquasource Utility Inc. (CCN Nos. 11157 & 20453), the City of Victoria (CCN Nos. 10722 & 20297), the H 2 O Systems Plus (CCN No. 11548), the North Victoria Utilities Inc. (CCN No. 11817), and Victoria County (Reg. No. P0022).

10) Adequacy of Boundary Description- The District's boundaries would be the same as the county boundaries of Victoria County and form a closure. The District is located in Groundwater Management Area 15 designated by the Texas Water Development Board for the central part of the Gulf Coast aquifer. Victoria County is not located within a Priority Groundwater Management Area designated by the TCEQ.

11) Comments on Powers /Duties Different from Similar Types of Districts- Unlike general law GCDs under Texas Water Code, Chapter 36, the temporary directors can hold subsequent elections after a one-year time period, if creation of the District is defeated by the voters. If the District is not confirmed by the fifth anniversary of the effective date of the Act, the Act will expire. General law GCDs under Chapter 36 are not authorized to have subsequent creation elections. The Act, if passed, would take effect on September 1, 2005.

12) TCEQ's Supervision- Same as for general law GCDs, including bond review authority. The TCEQ's supervision authority as it is related to the District's development and implementation of a groundwater management plan would be the same as for general law GCDs. As with general law GCDs, the District would not have to comply with TCEQ financial auditing requirements.

13) State Water Plan Objectives- Water Use: Within Victoria County, 98 percent of the total water use was groundwater in the year 2000. Fifty-six percent of the groundwater use was for municipal purposes. The proposed district would be partially located over the Gulf Coast Aquifer. The county's total water use to be included in the 2007 State Water Plan is projected to grow relatively little, from a year 2000 total of 48,794 acre feet of use to 50,992 acre feet of use in 2050.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality
LBB Staff: JOB, WK

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

The Honorable Tom Craddick
Texas House of Representatives
Capitol Station
PO Box 2910
Austin, Texas 78768-2910

Re: Responsibility of the Texas Commission on Environmental Quality (TCEQ) Pursuant to Article XVI, Section 59(d), Texas Constitution

HB-3423, as Filed by Representative Geanie Morrison - Relating to the Creation, Administration, Powers, Duties, Operation, and Financing of the Victoria County Groundwater Conservation District

Dear Speaker Craddick:

The enclosed comments are provided pursuant to the Constitutional requirements referenced above. Under those requirements, the TCEQ must submit, to the Governor, Lieutenant Governor and Speaker of the House of Representatives, the TCEQ's recommendations on specific legislation affecting water districts. We recommend that these comments be considered in the evaluation of the proposed legislation.

Sincerely,

for Nancy Bauer
Michael D. Cowan, Director
Water Supply Division

MDC/NB/kwm/ac

Enclosure

cc: The Honorable Robert Puente, Chairman, House Natural Resources Committee
The Honorable Representative Geanie Morrison, Texas House of Representatives

12

**H.B. 3423, as Filed by Representative Geanie Morrison
Texas Commission on Environmental Quality Comments**

Subject to a confirmation election, the bill creates the Victoria County Groundwater Conservation District (District) providing for the powers, duties, administration, operations and financing of the District. The bill authorizes the District with the powers and duties of Texas Water Code, Chapter 36, related to the general law for Groundwater Conservation Districts (GCDs).

Purpose. Same as general law GCDs under Texas Water Code, Chapter 36, to provide for the conservation, preservation, protection, recharging, and prevention of waste of groundwater, and to control subsidence caused by the withdrawal of groundwater.

Location & Size. The District's boundaries would be coextensive with the boundaries of Victoria County.

Powers. Same as general law GCDs under Texas Water Code, Chapter 36, with some taxing and regulatory limitations as noted below.

District Finances. Same as general law GCDs under Texas Water Code, Chapter 36, with the taxing limitation noted below. District finances under Chapter 36 include issuance of bonds and notes; levying of taxes for maintenance and operation expenses and for the repayment of bonds and notes; and, assessment of production fees, export fees, and administrative fees.

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Ability to Exclude Territory. As with general law for GCDs, there are no provisions to exclude territory.

Adequacy of Boundary Description. The District's boundaries would be the same as the county boundaries of Victoria County and form a closure. The District is located in Groundwater Management Area 15 designated by the Texas Water Development Board for the central part of the Gulf Coast aquifer. Victoria County is not located within a Priority Groundwater Management Area designated by the TCEQ.

Comments on Powers/Duties Different from Similar Types of Districts. Unlike general law GCDs under Texas Water Code, Chapter 36, the temporary directors can hold subsequent elections after a one-year time period, if creation of the District is defeated by the voters. If the District is not confirmed by the fifth anniversary of the effective date of the Act, the Act will expire. General law GCDs under Chapter 36 are not authorized to have subsequent creation elections. The Act, if passed, would take effect on September 1, 2005.

TCEQ's Supervision. Same as for general law GCDs, including bond review authority. The TCEQ's supervision authority as it is related to the District's development and implementation of a groundwater management plan would be the same as for general law GCDs. As with general law GCDs, the District would not have to comply with TCEQ financial auditing requirements.

The State of Texas,
County of Victoria

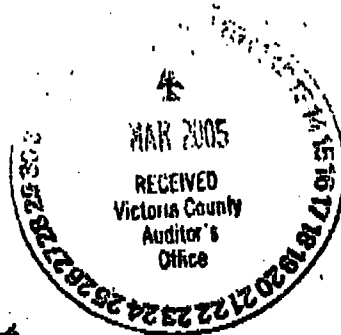
**NOTICE OF INTENT TO
INTRODUCE LEGISLATION**
This is to give notice of intent
to introduce in the 79th Legis-
lature, Regular Session, a bill
to be entitled an Act relating to
creation of the Victoria County
Groundwater Conservation
District within the boundaries
of Victoria County; providing
for powers of the district; an
approval election, and repeal
of the existing Crossroads
Groundwater Conservation
District. This Notice is pro-
vided by the Victoria County
Commissioners Court.
Donald R. Pozzi
(188)

Before me, the undersigned authority, on this day personally appeared Sandra Rodriguez
who being by me duly sworn, states on oath that she is the Classified Bookkeeper of
the Victoria Advocate, a newspaper published in Victoria, Victoria County, Texas and
generally circulated in Bee, Calhoun, Colorado, Dewitt, Fayette, Goliad, Gonzales,
Jackson, Karnes, Lavaca, Matagorda, Refugio, Wharton & Victoria Counties,
that the attached printed notice in the case of VICTORIA COUNTY JUDGES OFFICE

LEGAL #2005133

was published in The Victoria Advocate on the following dates:

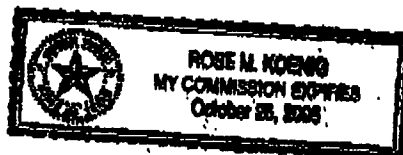
FEBRUARY 16, 2005



Sandra Rodriguez
SANDRA RODRIGUEZ
CLASSIFIED BOOKKEEPER

Sworn to and subscribed before me this 23rd day of FEBRUARY, 2005

Rose M. Koehn
Notary Public in and for Victoria County, Texas



VICTORIA ADVOCATE, Wednesday, February 16, 2005--5B

**NOTICE OF INTENT TO
INTRODUCE LEGISLATION**
This is to give notice of intent
to introduce in the 79th Legis-
lature, Regular Session, a bill
to be entitled an Act relating to
creation of the Victoria County
Groundwater Conservation
District within the boundaries
of Victoria County, providing
for powers of the district, an
approval election, and repeal
of the existing Crossroads
Groundwater Conservation
District. This Notice is pro-
vided by the Victoria County
Commissioners Court.
Donald R. Pozzi
(133)

ADOPTED as amended

HOUSE OF REPRESENTATIVES

By: Morrison

H.B. No. 3423

Substitute the following for H.B. No. 3423:

By: Hepe

C.S. H.B. No. 3423

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Victoria County Groundwater Conservation District; providing authority to impose a tax and issue bonds; abolishing the Crossroads Groundwater Conservation District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8812 to read as follows:

CHAPTER 8812. VICTORIA COUNTY GROUNDWATER

CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8812.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Victoria County Groundwater Conservation District.

Sec. 8812.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Victoria County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8812.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held before September 1, 2010:

1 (1) the district is dissolved on September 1, 2010,
2 except that:

3 (A) any debts incurred shall be paid;

4 (B) any assets that remain after the payment of
5 debts shall be transferred to Victoria County; and

6 (C) the organization of the district shall be
7 maintained until all debts are paid and remaining assets are
8 transferred; and

9 (2) this chapter expires on September 1, 2013.

10 Sec. 8812.004. INITIAL DISTRICT TERRITORY. The initial
11 boundaries of the district are coextensive with the boundaries of
12 Victoria County, Texas.

13 Sec. 8812.005. APPLICABILITY OF OTHER GROUNDWATER
14 CONSERVATION DISTRICT LAW. Except as otherwise provided by this
15 chapter, Chapter 36, Water Code, applies to the district.

16 [Sections 8812.006-8812.020 reserved for expansion]

17 SUBCHAPTER A-1. TEMPORARY PROVISIONS

18 Sec. 8812.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a)
19 Not later than the 10th day after September 1, 2005, the Victoria
20 County Commissioners Court shall appoint five temporary directors
21 as follows:

22 (1) one temporary director shall be appointed from
23 each of the four commissioner precincts in the county to represent
24 the precinct in which the temporary director resides; and

25 (2) one temporary director who resides in the district
26 shall be appointed to represent the district at large.

27 (b) If there is a vacancy on the temporary board of

1 directors of the district, the remaining temporary directors shall
2 select a qualified person to fill the vacancy. If, at any time,
3 there are fewer than three qualified temporary directors, the
4 Victoria County Commissioners Court shall appoint the necessary
5 number of persons to fill all vacancies on the board.

6 (c) To be eligible to serve as a temporary director, a
7 person must be a resident of Victoria County and at least 18 years
8 of age.

9 (d) Temporary directors serve until the earlier of:

10 (1) the time the temporary directors become initial
11 directors as provided by Section 8812.024; or

12 (2) the date this chapter expires under Section
13 8812.003.

14 Sec. 8812.022. ORGANIZATIONAL MEETING OF TEMPORARY
15 DIRECTORS. As soon as practicable after all the temporary
16 directors have qualified under Section 36.055, Water Code, a
17 majority of the temporary directors shall convene the
18 organizational meeting of the district at a location within the
19 district agreeable to a majority of the directors. If an agreement
20 on location cannot be reached, the organizational meeting shall be
21 at the Victoria County Courthouse. At the meeting, the temporary
22 directors shall elect a chair, vice chair, and secretary from among
23 the temporary directors.

24 Sec. 8812.023. CONFIRMATION ELECTION. (a) Not later than
25 the 30th day after September 1, 2005, the temporary board shall
26 order an election to be held not later than the 120th day after
27 September 1, 2005, to confirm the creation of the district.

1 (b) Section 41.001(a), Election Code, does not apply to a
2 confirmation election held as provided by this section.

3 (c) The ballot for the election must be printed to permit
4 voting for or against the following propositions:

5 (1) the creation of the district; and

6 (2) the imposition of an ad valorem tax in the district
7 at a rate not to exceed two cents for each \$100 of assessed
8 valuation.

9 (d) The temporary board may include any other proposition on
10 the ballot that it considers necessary.

11 (e) Except as provided by this section, a confirmation
12 election must be conducted as provided by Section 36.017(b)-(i),
13 Water Code, and the Election Code. The provision of Section
14 36.017(d), Water Code, relating to the election of permanent
15 directors does not apply to a confirmation election under this
16 section.

17 (f) If the creation of the district is not confirmed at a
18 confirmation election held under this section, the board may hold
19 another confirmation election not sooner than the first anniversary
20 of the most recent confirmation election.

21 Sec. 8812.024. INITIAL DIRECTORS. (a) If creation of the
22 district is confirmed at an election held under Section 8812.023,
23 the temporary directors of the district become the initial
24 directors of the district and serve on the board of directors until
25 permanent directors are elected under Section 8812.025.

26 (b) The directors for county commissioner precincts one and
27 three serve until the first regularly scheduled election of

1 directors under Section 8812.025. The directors for precincts two
2 and four and the director at large serve until the second regularly
3 scheduled election of directors under Section 8812.025.

4 Sec. 8812.025. INITIAL ELECTION OF PERMANENT DIRECTORS. On
5 the uniform election date prescribed by Section 41.001, Election
6 Code, in November of the first even-numbered year after the year in
7 which the creation of the district is confirmed at an election held
8 under Section 8812.023, an election shall be held in the district
9 for the election of two directors to replace the initial directors
10 who, under Section 8812.024(b), serve until that election.

11 Sec. 8812.026. EXPIRATION OF SUBCHAPTER. This subchapter
12 expires September 1, 2013.

13 [Sections 8812.027-8812.050 reserved for expansion]

14 SUBCHAPTER B. BOARD OF DIRECTORS

15 Sec. 8812.051. DIRECTORS; TERMS. (a) The district is
16 governed by a board of five directors.

17 (b) Directors serve staggered four-year terms.

18 Sec. 8812.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS
19 PRECINCTS. (a) The directors of the district shall be elected
20 according to the commissioners precinct method as provided by this
21 section.

22 (b) One director shall be elected by the voters of the
23 entire district, and one director shall be elected from each county
24 commissioners precinct by the voters of that precinct.

25 (c) Except as provided by Subsection (e), to be eligible to
26 be a candidate for or to serve as director at large, a person must be
27 at least 18 years of age and a resident of the district. To be a

1 candidate for or to serve as director from a county commissioners
2 precinct, a person must be at least 18 years of age and a resident of
3 that precinct.

4 (d) A person shall indicate on the application for a place
5 on the ballot:

6 (1) the precinct that the person seeks to represent;
7 or
8 (2) that the person seeks to represent the district at
9 large.

10 (e) When the boundaries of the county commissioners
11 precincts are redrawn after each federal decennial census to
12 reflect population changes, a director in office on the effective
13 date of the change, or a director elected or appointed before the
14 effective date of the change whose term of office begins on or after
15 the effective date of the change, shall serve in the precinct to
16 which elected or appointed even though the change in boundaries
17 places the person's residence outside the precinct for which the
18 person was elected or appointed.

19 Sec. 8812.053. ELECTION DATE. The district shall hold an
20 election to elect the appropriate number of directors on the
21 uniform election date prescribed by Section 41.001, Election Code,
22 in November of each even-numbered year.

23 Sec. 8812.054. VACANCIES. A vacancy on the board shall be
24 filled by appointment of the board until the next regularly
25 scheduled directors' election. The person appointed to fill the
26 vacancy shall serve only for the remainder of the unexpired term.

27 [Sections 8812.055-8812.100 reserved for expansion]

1 SUBCHAPTER C. POWERS AND DUTIES

2 Sec. 8812.101. PROHIBITION ON DISTRICT USE OF EMINENT
3 DOMAIN. The district may not exercise the power of eminent domain.
4 [Sections 8812.102-8812.150 reserved for expansion]

5 SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

6 Sec. 8812.151. LIMITATION ON TAXES. The district may not
7 impose ad valorem taxes at a rate that exceeds two cents on each
8 \$100 of assessed valuation of taxable property in the district.

9 SECTION 2. Chapter 1332, Acts of the 77th Legislature,
10 Regular Session, 2001, is repealed.

11 SECTION 3. (a) The legal notice of the intention to
12 introduce this Act, setting forth the general substance of this
13 Act, has been published as provided by law, and the notice and a
14 copy of this Act have been furnished to all persons, agencies,
15 officials, or entities to which they are required to be furnished
16 under Section 59, Article XVI, Texas Constitution, and Chapter 313,
17 Government Code.

18 (b) The governor has submitted the notice and Act to the
19 Texas Commission on Environmental Quality.

20 (c) The Texas Commission on Environmental Quality has filed
21 its recommendations relating to this Act with the governor,
22 lieutenant governor, and speaker of the house of representatives
23 within the required time.

24 (d) All requirements of the constitution and laws of this
25 state and the rules and procedures of the legislature with respect
26 to the notice, introduction, and passage of this Act are fulfilled
27 and accomplished.

LIST OF HOUSE AMENDMENTS CONSIDERED TODAY
HB3423-Second Reading

<u>AMENDMENT#</u>	<u>AUTHOR</u>	<u>DESCRIPTION</u>	<u>ACTION</u>
1	Morrison	Amendment	Adopted



At Ra House

note (if) BA

Elvin Ray

FLOOR AMENDMENT NO. 1

BY: Morrison

1 Amend C.S.H.B. 3423 on page 4 by striking lines 3-8 and
2 substituting the following: (((INSTEAD OF A)))
3 (c) The ballot for the election must be printed to permit
4 voting for or against the following proposition: "The creation of
5 the Victoria County Groundwater Conservation District and the
6 imposition of an ad valorem tax in the district at a rate not to
7 exceed two cents for each \$100 of assessed valuation."

F

HOUSE ENGROSSMENT

By: Morrison

H.B. No. 3423

A BILL TO BE ENTITLED

AN ACT

relating to the creation of the Victoria County Groundwater Conservation District; providing authority to impose a tax and issue bonds; abolishing the Crossroads Groundwater Conservation District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8812 to read as follows:

CHAPTER 8812. VICTORIA COUNTY GROUNDWATER

CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8812.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Victoria County Groundwater Conservation District.

Sec. 8812.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Victoria County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8812.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held before September 1, 2010:

(1) the district is dissolved on September 1, 2010,

except that:

(A) any debts incurred shall be paid;

(B) any assets that remain after the payment of
debts shall be transferred to Victoria County; and

(C) the organization of the district shall be
maintained until all debts are paid and remaining assets are
transferred; and

(2) this chapter expires on September 1, 2013.

Sec. 8812.004. INITIAL DISTRICT TERRITORY. The initial
boundaries of the district are coextensive with the boundaries of
Victoria County, Texas.

Sec. 8812.005. APPLICABILITY OF OTHER GROUNDWATER
CONSERVATION DISTRICT LAW. Except as otherwise provided by this
chapter, Chapter 36, Water Code, applies to the district.

[Sections 8812.006-8812.020 reserved for expansion]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8812.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a)
Not later than the 10th day after September 1, 2005, the Victoria
County Commissioners Court shall appoint five temporary directors
as follows:

(1) one temporary director shall be appointed from
each of the four commissioner precincts in the county to represent
the precinct in which the temporary director resides; and

(2) one temporary director who resides in the district
shall be appointed to represent the district at large.

(b) If there is a vacancy on the temporary board of

1 directors of the district, the remaining temporary directors shall
2 select a qualified person to fill the vacancy. If, at any time,
3 there are fewer than three qualified temporary directors, the
4 Victoria County Commissioners Court shall appoint the necessary
5 number of persons to fill all vacancies on the board.

6 (c) To be eligible to serve as a temporary director, a
7 person must be a resident of Victoria County and at least 18 years
8 of age.

9 (d) Temporary directors serve until the earlier of:

10 (1) the time the temporary directors become initial
11 directors as provided by Section 8812.024; or

12 (2) the date this chapter expires under Section
13 8812.003.

14 Sec. 8812.022. ORGANIZATIONAL MEETING OF TEMPORARY
15 DIRECTORS. As soon as practicable after all the temporary
16 directors have qualified under Section 36.055, Water Code, a
17 majority of the temporary directors shall convene the
18 organizational meeting of the district at a location within the
19 district agreeable to a majority of the directors. If an agreement
20 on location cannot be reached, the organizational meeting shall be
21 at the Victoria County Courthouse. At the meeting, the temporary
22 directors shall elect a chair, vice chair, and secretary from among
23 the temporary directors.

24 Sec. 8812.023. CONFIRMATION ELECTION. (a) Not later than
25 the 30th day after September 1, 2005, the temporary board shall
26 order an election to be held not later than the 120th day after
27 September 1, 2005, to confirm the creation of the district.

1 (b) Section 41.001(a), Election Code, does not apply to a
2 confirmation election held as provided by this section.

3 (c) The ballot for the election must be printed to permit
4 voting for or against the following proposition: "The creation of
5 the Victoria County Groundwater Conservation District and the
6 imposition of an ad valorem tax in the district at a rate not to
7 exceed two cents for each \$100 of assessed valuation."

8 (d) The temporary board may include any other proposition on
9 the ballot that it considers necessary.

10 (e) Except as provided by this section, a confirmation
11 election must be conducted as provided by Section 36.017(b)-(i),
12 Water Code, and the Election Code. The provision of Section
13 36.017(d), Water Code, relating to the election of permanent
14 directors does not apply to a confirmation election under this
15 section.

16 (f) If the creation of the district is not confirmed at a
17 confirmation election held under this section, the board may hold
18 another confirmation election not sooner than the first anniversary
19 of the most recent confirmation election.

20 Sec. 8812.024. INITIAL DIRECTORS. (a) If creation of the
21 district is confirmed at an election held under Section 8812.023,
22 the temporary directors of the district become the initial
23 directors of the district and serve on the board of directors until
24 permanent directors are elected under Section 8812.025.

25 (b) The directors for county commissioner precincts one and
26 three serve until the first regularly scheduled election of
27 directors under Section 8812.025. The directors for precincts two

1 and four and the director at large serve until the second regularly
2 scheduled election of directors under Section 8812.025.

3 Sec. 8812.025. INITIAL ELECTION OF PERMANENT DIRECTORS. On
4 the uniform election date prescribed by Section 41.001, Election
5 Code, in November of the first even-numbered year after the year in
6 which the creation of the district is confirmed at an election held
7 under Section 8812.023, an election shall be held in the district
8 for the election of two directors to replace the initial directors
9 who, under Section 8812.024(b), serve until that election.

10 Sec. 8812.026. EXPIRATION OF SUBCHAPTER. This subchapter
11 expires September 1, 2013.

12 [Sections 8812.027-8812.050 reserved for expansion]

13 SUBCHAPTER B. BOARD OF DIRECTORS

14 Sec. 8812.051. DIRECTORS; TERMS. (a) The district is
15 governed by a board of five directors.

16 (b) Directors serve staggered four-year terms.

17 Sec. 8812.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS
18 PRECINCTS. (a) The directors of the district shall be elected
19 according to the commissioners precinct method as provided by this
20 section.

21 (b) One director shall be elected by the voters of the
22 entire district, and one director shall be elected from each county
23 commissioners precinct by the voters of that precinct.

24 (c) Except as provided by Subsection (e), to be eligible to
25 be a candidate for or to serve as director at large, a person must be
26 at least 18 years of age and a resident of the district. To be a
27 candidate for or to serve as director from a county commissioners

1 precinct, a person must be at least 18 years of age and a resident of
2 that precinct.

3 (d) A person shall indicate on the application for a place
4 on the ballot:

5 (1) the precinct that the person seeks to represent;
6 or

7 (2) that the person seeks to represent the district at
8 large.

9 (e) When the boundaries of the county commissioners
10 precincts are redrawn after each federal decennial census to
11 reflect population changes, a director in office on the effective
12 date of the change, or a director elected or appointed before the
13 effective date of the change whose term of office begins on or after
14 the effective date of the change, shall serve in the precinct to
15 which elected or appointed even though the change in boundaries
16 places the person's residence outside the precinct for which the
17 person was elected or appointed.

18 Sec. 8812.053. ELECTION DATE. The district shall hold an
19 election to elect the appropriate number of directors on the
20 uniform election date prescribed by Section 41.001, Election Code,
21 in November of each even-numbered year.

22 Sec. 8812.054. VACANCIES. A vacancy on the board shall be
23 filled by appointment of the board until the next regularly
24 scheduled directors' election. The person appointed to fill the
25 vacancy shall serve only for the remainder of the unexpired term.

26 [Sections 8812.055-8812.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8812.101. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain.

[Sections 8812.102-8812.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8812.151. LIMITATION ON TAXES. The district may not impose ad valorem taxes at a rate that exceeds two cents on each \$100 of assessed valuation of taxable property in the district.

SECTION 2. Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, is repealed.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 19, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation of the Victoria County Groundwater Conservation District; providing authority to impose a tax and issue bonds; abolishing the Crossroads Groundwater Conservation District.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, WK, DLBa

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 8, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation, administration, powers, duties, operation, and financing of the Victoria County Groundwater Conservation District.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, WK, DLBa

LEGISLATIVE BUDGET BOARD

Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

79TH LEGISLATIVE REGULAR SESSION

April 21, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation of the Victoria County Groundwater Conservation District; providing authority to impose a tax and issue bonds; abolishing the Crossroads Groundwater Conservation District.), **Committee Report 1st House, Substituted**

The Legislative Budget Board in cooperation with the Water Development Board (TWDB) and Texas Commission on Environmental Quality (TCEQ), has determined the following:

Subject to a confirmation election, the bill would create the Victoria County Groundwater Conservation District (District) providing for the powers, duties, administration, operations and financing of the District. The bill authorizes the District with the powers and duties of Texas Water Code, Chapter 36, related to the general law for Groundwater Conservation Districts (GCDs).

1) Population- The Victoria County population projections to be used in the 2007 State Water Plan show significant growth from a 2000 population of 84,088 to 93,073 in 2010.

2) Location & Size- The District's boundaries would be coextensive with the boundaries of Victoria County.

3) Powers- Same as general law GCDs under Texas Water Code, Chapter 36, with some taxing and regulatory limitations as noted below.

4) District Finances- Same as general law GCDs under Texas Water Code, Chapter 36, with the taxing limitation noted below. District finances under Chapter 36 include issuance of bonds and notes; levying of taxes for maintenance and operation expenses and for the repayment of bonds and notes; and, assessment of production fees, export fees, and administrative fees.

5) Board of Directors- The District would be governed by a board of five elected permanent directors serving staggered four-year terms. Unlike general law GCDs, directors would be elected according to the commissioners precinct method with one director elected from each county commissioners precinct and one director elected at-large. Temporary directors are to be appointed by the commissioner's court within ten days of the effective date of the Act. The temporary directors are responsible for scheduling and conducting the District's confirmation election within 120 days of the effective date of the Act. The temporary directors become the initial directors if the District is confirmed by the voters. Two initial directors would serve until the first permanent directors election in November of the first even-numbered year after the year in which the District is confirmed by election, and the other three initial directors would serve until the second permanent directors election in November of the second even-numbered year. The appropriate number of directors would then be elected in November of each subsequent second year. General law GCDs under Texas Water Code, Chapter 36, have 5 to 11 directors elected by the general precinct method. In some general law GCD creation cases, commissioners' courts are provided 90 days to appoint temporary directors.

6) Eminent Domain- Unlike general law GCDs under Texas Water Code, Chapter 36, the District is prohibited from exercising the power of eminent domain.

7) Ability to Tax- Similar to general law GCDs under Texas Water Code, Chapter 36, the District is authorized to levy a maintenance tax and to levy a tax for the repayment of bonds or notes. Both types of taxes are subject to voter authorization. The District may not levy a tax that exceeds \$0.02 per \$100 assessed

valuation of property. Under Texas Water Code, Chapter 36, the maintenance tax for general law GCDs may not exceed \$0.50 per \$100 assessed valuation and the tax rate for the repayment of bonds or notes is not limited.

8) Ability To Exclude Property- As with general law for GCDs, there are no provisions to exclude property.

9) Overlapping Services- There is one GCD in Victoria County. The bill provides for the repeal of Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, (HB2643), governing the existing Crossroads Groundwater Conservation District in Victoria County. However, the bill does not provide for the repeal of Chapter 966, Article 3, Part 2, Acts of the 77th Legislature, Regular Session, 2001, (SB2, Article 3, Part 2), which also governs the existing Crossroads Groundwater Conservation District.

The primary functions of GCDs are conservation and management of groundwater resources through data collection, rules and well permitting within their boundaries. These functions do not conflict with the services provided by the other water utilities or districts in the same area. The District's boundaries include the service areas of other water utilities and districts with Certificates of Convenience and Necessity (CCN). The other known water supply or sewer-service corporations, investor-owned utilities, or local water districts or authorities in the District are the Guadalupe-Blanco River Authority, the Quail Creek MUD (Reg. No. P0425), the Victoria County Drainage Districts 2 and 3, the Victoria County Navigation District, the Victoria County WCIDs 1 (Reg. No. P0478) and 2 (P0479), the Aquasource Utility Inc. (CCN Nos. 11157 & 20453), the City of Victoria (CCN Nos. 10722 & 20297, the H 2 O Systems Plus (CCN No. 11548), the North Victoria Utilities Inc. (CCN No. 11817), and Victoria County (Reg. No. P0022).

10) Adequacy of Boundary Description- The District's boundaries would be the same as the county boundaries of Victoria County and form a closure. The District is located in Groundwater Management Area 15 designated by the Texas Water Development Board for the central part of the Gulf Coast aquifer. Victoria County is not located within a Priority Groundwater Management Area designated by the TCEQ.

11) Comments on Powers /Duties Different from Similar Types of Districts- Unlike general law GCDs under Texas Water Code, Chapter 36, the temporary directors can hold subsequent elections after a one-year time period, if creation of the District is defeated by the voters. If the District is not confirmed by the fifth anniversary of the effective date of the Act, the Act will expire. General law GCDs under Chapter 36 are not authorized to have subsequent creation elections. The Act, if passed, would take effect on September 1, 2005.

12) TCEQ's Supervision- Same as for general law GCDs, including bond review authority. The TCEQ's supervision authority as it is related to the District's development and implementation of a groundwater management plan would be the same as for general law GCDs. As with general law GCDs, the District would not have to comply with TCEQ financial auditing requirements.

13) State Water Plan Objectives- Water Use: Within Victoria County, 98 percent of the total water use was groundwater in the year 2000. Fifty-six percent of the groundwater use was for municipal purposes. The proposed district would be partially located over the Gulf Coast Aquifer. The county's total water use to be included in the 2007 State Water Plan is projected to grow relatively little, from a year 2000 total of 48,794 acre feet of use to 50,992 acre feet of use in 2050.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: JOB, WK

LEGISLATIVE BUDGET BOARD

Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation, administration, powers, duties, operation, and financing of the Victoria County Groundwater Conservation District.), **As Introduced**

The Legislative Budget Board in cooperation with the Water Development Board (TWDB) and Texas Commission on Environmental Quality (TCEQ), has determined the following:

Subject to a confirmation election, the bill would create the Victoria County Groundwater Conservation District (District) providing for the powers, duties, administration, operations and financing of the District. The bill authorizes the District with the powers and duties of Texas Water Code, Chapter 36, related to the general law for Groundwater Conservation Districts (GCDs).

1) Population- The Victoria County population projections to be used in the 2007 State Water Plan show significant growth from a 2000 population of 84,088 to 93,073 in 2010.

2) Location & Size- The District's boundaries would be coextensive with the boundaries of Victoria County.

3) Powers- Same as general law GCDs under Texas Water Code, Chapter 36, with some taxing and regulatory limitations as noted below.

4) District Finances- Same as general law GCDs under Texas Water Code, Chapter 36, with the taxing limitation noted below. District finances under Chapter 36 include issuance of bonds and notes; levying of taxes for maintenance and operation expenses and for the repayment of bonds and notes; and, assessment of production fees, export fees, and administrative fees.

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6) Eminent Domain- Unlike general law GCDs under Texas Water Code, Chapter 36, the District is prohibited from exercising the power of eminent domain.

7) Ability to Tax- Similar to general law GCDs under Texas Water Code, Chapter 36, the District is authorized to levy a maintenance tax and to levy a tax for the repayment of bonds or notes. Both types of taxes are subject to voter authorization. The District may not levy a tax that exceeds \$0.02 per \$100 assessed valuation of property. Under Texas Water Code, Chapter 36, the maintenance tax for general law GCDs may not exceed \$0.50 per \$100 assessed valuation and the tax rate for the repayment of bonds or notes is not

limited.

8) Ability To Exclude Property- As with general law for GCDs, there are no provisions to exclude property.

9) Overlapping Services- There is one GCD in Victoria County. The bill provides for the repeal of Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, (HB2643), governing the existing Crossroads Groundwater Conservation District in Victoria County. However, the bill does not provide for the repeal of Chapter 966, Article 3, Part 2, Acts of the 77th Legislature, Regular Session, 2001, (SB2, Article 3, Part 2), which also governs the existing Crossroads Groundwater Conservation District.

The primary functions of GCDs are conservation and management of groundwater resources through data collection, rules and well permitting within their boundaries. These functions do not conflict with the services provided by the other water utilities or districts in the same area. The District's boundaries include the service areas of other water utilities and districts with Certificates of Convenience and Necessity (CCN). The other known water supply or sewer-service corporations, investor-owned utilities, or local water districts or authorities in the District are the Guadalupe-Blanco River Authority, the Quail Creek MUD (Reg. No. P0425), the Victoria County Drainage Districts 2 and 3, the Victoria County Navigation District, the Victoria County WCIDs 1 (Reg. No. P0478) and 2 (P0479), the Aquasource Utility Inc. (CCN Nos. 11157 & 20453), the City of Victoria (CCN Nos. 10722 & 20297, the H 2 O Systems Plus (CCN No. 11548), the North Victoria Utilities Inc. (CCN No. 11817), and Victoria County (Reg. No. P0022).

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12) TCEQ's Supervision- Same as for general law GCDs, including bond review authority. The TCEQ's supervision authority as it is related to the District's development and implementation of a groundwater management plan would be the same as for general law GCDs. As with general law GCDs, the District would not have to comply with TCEQ financial auditing requirements.

13) State Water Plan Objectives- Water Use: Within Victoria County, 98 percent of the total water use was groundwater in the year 2000. Fifty-six percent of the groundwater use was for municipal purposes. The proposed district would be partially located over the Gulf Coast Aquifer. The county's total water use to be included in the 2007 State Water Plan is projected to grow relatively little, from a year 2000 total of 48,794 acre feet of use to 50,992 acre feet of use in 2050.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: JOB, WK

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

The Honorable Tom Craddick
Texas House of Representatives
Capitol Station
PO Box 2910
Austin, Texas 78768-2910

Re: Responsibility of the Texas Commission on Environmental Quality (TCEQ) Pursuant to Article XVI, Section 59(d), Texas Constitution

HB-3423, as Filed by Representative Geanie Morrison - Relating to the Creation, Administration, Powers, Duties, Operation, and Financing of the Victoria County Groundwater Conservation District

Dear Speaker Craddick:

The enclosed comments are provided pursuant to the Constitutional requirements referenced above. Under those requirements, the TCEQ must submit, to the Governor, Lieutenant Governor and Speaker of the House of Representatives, the TCEQ's recommendations on specific legislation affecting water districts. We recommend that these comments be considered in the evaluation of the proposed legislation.

Sincerely,

for Nancy Bauer
Michael D. Cowan, Director
Water Supply Division

MDC/NB/kwm/ac

Enclosure

cc: The Honorable Robert Puente, Chairman, House Natural Resources Committee
The Honorable Representative Geanie Morrison, Texas House of Representatives

7

H.B. 3423, as Filed by Representative Geanie Morrison
Texas Commission on Environmental Quality Comments

Subject to a confirmation election, the bill creates the Victoria County Groundwater Conservation District (District) providing for the powers, duties, administration, operations and financing of the District. The bill authorizes the District with the powers and duties of Texas Water Code, Chapter 36, related to the general law for Groundwater Conservation Districts (GCDs).

Purpose. Same as general law GCDs under Texas Water Code, Chapter 36, to provide for the conservation, preservation, protection, recharging, and prevention of waste of groundwater, and to control subsidence caused by the withdrawal of groundwater.

Location & Size. The District's boundaries would be coextensive with the boundaries of Victoria County.

Powers. Same as general law GCDs under Texas Water Code, Chapter 36, with some taxing and regulatory limitations as noted below.

District Finances. Same as general law GCDs under Texas Water Code, Chapter 36, with the taxing limitation noted below. District finances under Chapter 36 include issuance of bonds and notes; levying of taxes for maintenance and operation expenses and for the repayment of bonds and notes; and, assessment of production fees, export fees, and administrative fees.

Board of Directors. The District would be governed by a board of five elected permanent directors serving staggered four-year terms. Unlike general law GCDs, directors would be elected according to the commissioners precinct method with one director elected from each county commissioners precinct and one director elected at-large. Temporary directors are to be appointed by the commissioners court within ten days of the effective date of the Act. The temporary directors are responsible for scheduling and conducting the District's confirmation election within 120 days of the effective date of the Act. The temporary directors become the initial directors if the District is confirmed by the voters. Two initial directors would serve until the first permanent directors election in November of the first even-numbered year after the year in which the District is confirmed by election, and the other three initial directors would serve until the second permanent directors election in November of the second even-numbered year. The appropriate number of directors would then be elected in November of each subsequent second year. General law GCDs under Texas Water Code, Chapter 36, have 5 to 11 directors elected by the general precinct method. In some general law GCD creation cases, commissioners courts are provided 90 days to appoint temporary directors.

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9

Overlapping Services. There is one GCD in Victoria County. The bill provides for the repeal of Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, (HB2643), governing the existing Crossroads Groundwater Conservation District in Victoria County. However, the bill does not provide for the repeal of Chapter 966, Article 3, Part 2, Acts of the 77th Legislature, Regular Session, 2001, (SB2, Article 3, Part 2), which also governs the existing Crossroads Groundwater Conservation District.

The primary functions of GCDs are conservation and management of groundwater resources through data collection, rules and well permitting within their boundaries. These functions do not conflict with the services provided by the other water utilities or districts in the same area. The District's boundaries include the service areas of other water utilities and districts with Certificates of Convenience and Necessity (CCN). The other known water supply or sewer-service corporations, investor-owned utilities, or local water districts or authorities in the District are the Guadalupe-Blanco River Authority, the Quail Creek MUD (Reg. No. P0425), the Victoria County Drainage Districts 2 and 3, the Victoria County Navigation District, the Victoria County WCIDs 1 (Reg. No. P0478) and 2 (P0479), the Aquasource Utility Inc. (CCN Nos. 11157 & 20453), the City of Victoria (CCN Nos. 10722 & 20297, the H 2 O Systems Plus (CCN No. 11548), the North Victoria Utilities Inc. (CCN No. 11817), and Victoria County (Reg. No. P0022).

Ability to Exclude Territory. As with general law for GCDs, there are no provisions to exclude territory.

Adequacy of Boundary Description. The District's boundaries would be the same as the county boundaries of Victoria County and form a closure. The District is located in Groundwater Management Area 15 designated by the Texas Water Development Board for the central part of the Gulf Coast aquifer. Victoria County is not located within a Priority Groundwater Management Area designated by the TCEQ.

Comments on Powers/Duties Different from Similar Types of Districts. Unlike general law GCDs under Texas Water Code, Chapter 36, the temporary directors can hold subsequent elections after a one-year time period, if creation of the District is defeated by the voters. If the District is not confirmed by the fifth anniversary of the effective date of the Act, the Act will expire. General law GCDs under Chapter 36 are not authorized to have subsequent creation elections. The Act, if passed, would take effect on September 1, 2005.

TCEQ's Supervision. Same as for general law GCDs, including bond review authority. The TCEQ's supervision authority as it is related to the District's development and implementation of a groundwater management plan would be the same as for general law GCDs. As with general law GCDs, the District would not have to comply with TCEQ financial auditing requirements.

1-1 By: Morrison (Senate Sponsor - Armbrister) H.B. No. 3423
1-2 (In the Senate - Received from the House May 16, 2005;
1-3 May 17, 2005, read first time and referred to Committee on Natural
1-4 Resources; May 21, 2005, reported favorably by the following vote:
1-5 Yeas 8, Nays 0; May 21, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the creation of the Victoria County Groundwater
1-9 Conservation District; providing authority to impose a tax and
1-10 issue bonds; abolishing the Crossroads Groundwater Conservation
1-11 District.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subtitle H, Title 6, Special District Local Laws
1-14 Code, is amended by adding Chapter 8812 to read as follows:

1-15 CHAPTER 8812. VICTORIA COUNTY GROUNDWATER

1-16 CONSERVATION DISTRICT

1-17 SUBCHAPTER A. GENERAL PROVISIONS

1-18 Sec. 8812.001. DEFINITIONS. In this chapter:

1-19 (1) "Board" means the board of directors of the
1-20 district.

1-21 (2) "Director" means a member of the board.

1-22 (3) "District" means the Victoria County Groundwater
1-23 Conservation District.

1-24 Sec. 8812.002. NATURE OF DISTRICT. The district is a
1-25 groundwater conservation district in Victoria County created under
1-26 and essential to accomplish the purposes of Section 59, Article
1-27 XVI, Texas Constitution.

1-28 Sec. 8812.003. CONFIRMATION ELECTION REQUIRED. If the
1-29 creation of the district is not confirmed at a confirmation
1-30 election held before September 1, 2010:

1-31 (1) the district is dissolved on September 1, 2010,
1-32 except that:

1-33 (A) any debts incurred shall be paid;

1-34 (B) any assets that remain after the payment of
1-35 debts shall be transferred to Victoria County; and

1-36 (C) the organization of the district shall be
1-37 maintained until all debts are paid and remaining assets are
1-38 transferred; and

1-39 (2) this chapter expires on September 1, 2013.

1-40 Sec. 8812.004. INITIAL DISTRICT TERRITORY. The initial
1-41 boundaries of the district are coextensive with the boundaries of
1-42 Victoria County, Texas.

1-43 Sec. 8812.005. APPLICABILITY OF OTHER GROUNDWATER
1-44 CONSERVATION DISTRICT LAW. Except as otherwise provided by this
1-45 chapter, Chapter 36, Water Code, applies to the district.

1-46 [Sections 8812.006-8812.020 reserved for expansion]

1-47 SUBCHAPTER A-1. TEMPORARY PROVISIONS

1-48 Sec. 8812.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a)
1-49 Not later than the 10th day after September 1, 2005, the Victoria
1-50 County Commissioners Court shall appoint five temporary directors
1-51 as follows:

1-52 (1) one temporary director shall be appointed from
1-53 each of the four commissioner precincts in the county to represent
1-54 the precinct in which the temporary director resides; and

1-55 (2) one temporary director who resides in the district
1-56 shall be appointed to represent the district at large.

1-57 (b) If there is a vacancy on the temporary board of
1-58 directors of the district, the remaining temporary directors shall
1-59 select a qualified person to fill the vacancy. If, at any time,
1-60 there are fewer than three qualified temporary directors, the
1-61 Victoria County Commissioners Court shall appoint the necessary
1-62 number of persons to fill all vacancies on the board.

1-63 (c) To be eligible to serve as a temporary director, a
1-64 person must be a resident of Victoria County and at least 18 years

of age.

(d) Temporary directors serve until the earlier of:
 (1) the time the temporary directors become initial directors as provided by Section 8812.024; or
 (2) the date this chapter expires under Section 8812.003.

Sec. 8812.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. As soon as practicable after all the temporary directors have qualified under Section 36.055, Water Code, a majority of the temporary directors shall convene the organizational meeting of the district at a location within the district agreeable to a majority of the directors. If an agreement on location cannot be reached, the organizational meeting shall be at the Victoria County Courthouse. At the meeting, the temporary directors shall elect a chair, vice chair, and secretary from among the temporary directors.

Sec. 8812.023. CONFIRMATION ELECTION. (a) Not later than the 30th day after September 1, 2005, the temporary board shall order an election to be held not later than the 120th day after September 1, 2005, to confirm the creation of the district.

(b) Section 41.001(a), Election Code, does not apply to a confirmation election held as provided by this section.

(c) The ballot for the election must be printed to permit voting for or against the following proposition: "The creation of the Victoria County Groundwater Conservation District and the imposition of an ad valorem tax in the district at a rate not to exceed two cents for each \$100 of assessed valuation."

(d) The temporary board may include any other proposition on the ballot that it considers necessary.

(e) Except as provided by this section, a confirmation election must be conducted as provided by Section 36.017(b)-(i), Water Code, and the Election Code. The provision of Section 36.017(d), Water Code, relating to the election of permanent directors does not apply to a confirmation election under this section.

(f) If the creation of the district is not confirmed at a confirmation election held under this section, the board may hold another confirmation election not sooner than the first anniversary of the most recent confirmation election.

Sec. 8812.024. INITIAL DIRECTORS. (a) If creation of the district is confirmed at an election held under Section 8812.023, the temporary directors of the district become the initial directors of the district and serve on the board of directors until permanent directors are elected under Section 8812.025.

(b) The directors for county commissioner precincts one and three serve until the first regularly scheduled election of directors under Section 8812.025. The directors for precincts two and four and the director at large serve until the second regularly scheduled election of directors under Section 8812.025.

Sec. 8812.025. INITIAL ELECTION OF PERMANENT DIRECTORS. On the uniform election date prescribed by Section 41.001, Election Code, in November of the first even-numbered year after the year in which the creation of the district is confirmed at an election held under Section 8812.023, an election shall be held in the district for the election of two directors to replace the initial directors who, under Section 8812.024(b), serve until that election.

Sec. 8812.026. EXPIRATION OF SUBCHAPTER. This subchapter expires September 1, 2013.

[Sections 8812.027-8812.050 reserved for expansion]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8812.051. DIRECTORS; TERMS. (a) The district is governed by a board of five directors.

(b) Directors serve staggered four-year terms.

Sec. 8812.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) The directors of the district shall be elected according to the commissioners precinct method as provided by this section.

(b) One director shall be elected by the voters of the entire district, and one director shall be elected from each county

commissioners precinct by the voters of that precinct.

(c) Except as provided by Subsection (e), to be eligible to be a candidate for or to serve as director at large, a person must be at least 18 years of age and a resident of the district. To be a candidate for or to serve as director from a county commissioners precinct, a person must be at least 18 years of age and a resident of that precinct.

(d) A person shall indicate on the application for a place on the ballot:

(1) the precinct that the person seeks to represent; or

(2) that the person seeks to represent the district at large.

(e) When the boundaries of the county commissioners precincts are redrawn after each federal decennial census to reflect population changes, a director in office on the effective date of the change, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, shall serve in the precinct to which elected or appointed even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

Sec. 8812.053. ELECTION DATE. The district shall hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in November of each even-numbered year.

Sec. 8812.054. VACANCIES. A vacancy on the board shall be filled by appointment of the board until the next regularly scheduled directors' election. The person appointed to fill the vacancy shall serve only for the remainder of the unexpired term.

[Sections 8812.055-8812.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8812.101. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain.

[Sections 8812.102-8812.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8812.151. LIMITATION ON TAXES. The district may not impose ad valorem taxes at a rate that exceeds two cents on each \$100 of assessed valuation of taxable property in the district.

SECTION 2. Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, is repealed.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. This Act takes effect September 1, 2005.

* * * * *

FAVORABLE
SENATE COMMITTEE REPORT ON

SB SCR SJR SR HB HCR HJR 3423
By Morrison / Armbrister
(Author/Senate Sponsor)
5-21-2005
(date)

We, your Committee on NATURAL RESOURCES, to which was referred the attached measure,
have on 5/20/05, had the same under consideration and I am instructed to report it
(date of hearing)
back with the recommendation (s) that it:

- ☒ do pass and be printed
☐ do pass and be ordered not printed
☒ and is recommended for placement on the Local and Uncontested Bills Calendar.

A fiscal note was requested. ☒ yes ☐ no
A revised fiscal note was requested. ☐ yes ☒ no
An actuarial analysis was requested. ☐ yes ☒ no
Considered by subcommittee. ☐ yes ☒ no

The measure was reported from Committee by the following vote:

	YEA	NAY	ABSENT	PNV
Senator Armbrister, Chair	<input checked="" type="checkbox"/>			
Senator Jackson, Vice-Chair	<input checked="" type="checkbox"/>			
Senator Barrientos	<input checked="" type="checkbox"/>			
Senator Duncan			<input checked="" type="checkbox"/>	
Senator Estes	<input checked="" type="checkbox"/>			
Senator Fraser	<input checked="" type="checkbox"/>			
Senator Hinojosa	<input checked="" type="checkbox"/>			
Senator Lindsay	<input checked="" type="checkbox"/>			
Senator Madla			<input checked="" type="checkbox"/>	
Senator Seliger	<input checked="" type="checkbox"/>			
Senator Staples			<input checked="" type="checkbox"/>	
TOTAL VOTES	8	0	3	0

COMMITTEE ACTION

☒ S260 Considered in public hearing
☐ S270 Testimony taken

Holly C. Mellett
COMMITTEE CLERK

Ken [Signature]
CHAIRMAN

Paper clip the original and one copy of this signed form to the original bill
Retain one copy of this form for Committee files

BILL ANALYSIS

Senate Research Center

H.B. 3423
By: Morrison (Armbrister)
Natural Resources
5/20/2005
Engrossed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Texas faces a difficult challenge to develop water policies that serve state and regional interests. The Texas Constitution authorizes the creation of groundwater conservation districts to plan, develop, and regulate the use of water. HB. 3423 creates the Victoria County Groundwater Conservation District, subject to approval at a confirmation election, to manage groundwater resources in Victoria County.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle H, Title 6, Special District Local Laws Code, by adding Chapter 8812, as follows:

CHAPTER 8812. VICTORIA COUNTY GROUNDWATER CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8812.001. DEFINITIONS. Defines "board," "director," and "district."

Sec. 8812.002. NATURE OF DISTRICT. Provides that the Victoria County Groundwater Conservation District (district) is a groundwater conservation district in Victoria County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8812.003. CONFIRMATION ELECTION REQUIRED. Sets forth the subsequent events if the creation of the district is not confirmed at a confirmation election held before September 1, 2010.

Sec. 8812.004. INITIAL DISTRICT TERRITORY. Provides that the initial boundaries of the district are coextensive with the boundaries of Victoria County, Texas.

Sec. 8812.005. APPLICABILITY OF OTHER GROUNDWATER CONSERVATION DISTRICT LAW. Provides that, except as otherwise provided by this chapter, Chapter 36 (Groundwater Conservation Districts), Water Code, applies to the district.

[Reserves Sections 8812.006-8812.020 for expansion.]

SUBCHAPTER A-1. TEMPORARY PROVISIONS

Sec. 8812.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a) Requires the Victoria County Commissioners Court to appoint five temporary directors in a certain manner not later than the 10th day after September 1, 2005.

(b) Requires, if there is a vacancy on the temporary board of directors (board) of the district, the remaining temporary directors to select a qualified person to fill

the vacancy. Requires the Victoria County Commissioners Court to appoint the necessary number of persons to fill all vacancies on the board if, at any time, there are fewer than three qualified temporary directors.

(c) Requires a person to be a resident of Victoria County and at least 18 years of age to be eligible to serve as a temporary director.

(d) Sets forth the dates to which temporary directors serve.

Sec. 8812.022. ORGANIZATIONAL MEETING OF TEMPORARY DIRECTORS. Requires, as soon as practicable after all the temporary directors have qualified under Section 36.055 (Sworn Statement, Bond, and Oath of Office), Water Code, a majority of the temporary directors to convene the organizational meeting of the district at a location within the district agreeable to a majority of the directors. Requires, if an agreement on location cannot be reached, the organizational meeting to be at the Victoria County Courthouse. Requires the temporary directors to elect a chair, vice chair, and secretary from among the temporary directors at the meeting.

Sec. 8812.023. CONFIRMATION ELECTION. (a) Requires the temporary board, not later than the 30th day after September 1, 2005, to order an election to be held not later than the 120th day after September 1, 2005, to confirm the creation of the district.

(b) Provides that Section 41.001(a) (relating to dates of general and special elections), Election Code, does not apply to a confirmation election held as provided by this section.

(c) Requires the ballot for the election to be printed to permit voting for or against certain propositions and sets forth the appropriate language for the ballot.

(d) Authorizes the temporary board to include any other proposition on the ballot that it considers necessary.

(e) Requires, except as provided by this section, a confirmation election to be conducted as provided by Section 36.017(b)-(i) (relating to confirmation and directors' elections for a district), Water Code, and the Election Code. Provides that the provision of Section 36.017(d), Water Code, relating to the election of permanent directors does not apply to a confirmation election under this section.

(f) Authorizes the board, if the creation of the district is not confirmed at a confirmation election held under this section, to hold another confirmation election not sooner than the first anniversary of the most recent confirmation election.

Sec. 8812.024. INITIAL DIRECTORS. (a) Provides that, if creation of the district is confirmed at an election held under Section 8812.023, the temporary directors of the district become the initial directors of the district and serve on the board of directors until permanent directors are elected under Section 8812.025.

(b) Provides that the directors for county commissioner precincts one and three serve until the first regularly scheduled election of directors under Section 8812.025. Provides that the directors for precincts two and four and the director at large serve until the second regularly scheduled election of directors under Section 8812.025.

Sec. 8812.025. INITIAL ELECTION OF PERMANENT DIRECTORS. Requires, on the uniform election date prescribed by Section 41.001, Election Code, in November of the first even-numbered year after the year in which the creation of the district is confirmed at an election held under Section 8812.023, an election to be held in the district for the election of two directors to replace the initial directors who, under Section 8812.024(b), serve until that election.

Sec. 8812.026. EXPIRATION OF SUBCHAPTER. Provides that this subchapter expires September 1, 2013.

[Reserves Sections 8812.027-8812.050 for expansion.]

SUBCHAPTER B. BOARD OF DIRECTORS

Sec. 8812.051. DIRECTORS; TERMS. (a) Provides that the district is governed by a board of five directors who serve staggered four-year terms.

Sec. 8812.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS PRECINCTS. (a) Requires the directors of the district to be elected according to the commissioners precinct method as provided by this section.

(b) Requires one director to be elected by the voters of the entire district, and one director to be elected from each county commissioners precinct by the voters of that precinct.

(c) Requires a person to be at least 18 years of age and a resident of the district, except as provided by Subsection (e), to be eligible to be a candidate for or to serve as director at large. Requires a person to be at least 18 years of age and a resident of that precinct to be a candidate for or to serve as director from a county commissioners precinct.

(d) Requires a person to indicate certain information on the application for a place on the ballot.

(e) Requires a director in office on the effective date of a change in precinct boundaries due to redistricting following each federal decennial census, or a director elected or appointed before the effective date of the change whose term of office begins on or after the effective date of the change, to serve in the precinct to which elected or appointed even though the change in boundaries places the person's residence outside the precinct for which the person was elected or appointed.

Sec. 8812.053. ELECTION DATE. Requires the district to hold an election to elect the appropriate number of directors on the uniform election date prescribed by Section 41.001, Election Code, in November of each even-numbered year.

Sec. 8812.054. VACANCIES. Requires a vacancy on the board to be filled by appointment of the board until the next regularly scheduled directors' election. Requires the person appointed to fill the vacancy to serve only for the remainder of the unexpired term.

[Reserves Sections 8812.055-8812.100 for expansion.]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8812.101. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN. Prohibits the district from exercising the power of eminent domain.

[Reserves Sections 8812.102-8812.150 for expansion.]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8812.151. LIMITATION ON TAXES. Prohibits the district from imposing ad valorem taxes at a rate that exceeds two cents on each \$100 of assessed valuation of taxable property in the district.

SECTION 2. Repealer: Chapter 1332 (relating to the Crossroads Groundwater Conservation District), Acts of the 77th Legislature, Regular Session, 2001.

SECTION 3. Provides that all the requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

SECTION 4. Effective date: September 1, 2005.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

May 21, 2005

TO: Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation of the Victoria County Groundwater Conservation District; providing authority to impose a tax and issue bonds; abolishing the Crossroads Groundwater Conservation District.), **As Engrossed**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, WK, DLBa

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

79TH LEGISLATIVE REGULAR SESSION

May 21, 2005

TO: Honorable Kenneth Armbrister, Chair, Senate Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation of the Victoria County Groundwater Conservation District; providing authority to impose a tax and issue bonds; abolishing the Crossroads Groundwater Conservation District.), **As Engrossed**

The Legislative Budget Board in cooperation with the Water Development Board (TWDB) and Texas Commission on Environmental Quality (TCEQ), has determined the following:

Subject to a confirmation election, the bill would create the Victoria County Groundwater Conservation District (District) providing for the powers, duties, administration, operations and financing of the District. The bill authorizes the District with the powers and duties of Texas Water Code, Chapter 36, related to the general law for Groundwater Conservation Districts (GCDs).

1) Population- The Victoria County population projections to be used in the 2007 State Water Plan show significant growth from a 2000 population of 84,088 to 93,073 in 2010.

2) Location & Size- The District's boundaries would be coextensive with the boundaries of Victoria County.

3) Powers- Same as general law GCDs under Texas Water Code, Chapter 36, with some taxing and regulatory limitations as noted below.

4) District Finances- Same as general law GCDs under Texas Water Code, Chapter 36, with the taxing limitation noted below. District finances under Chapter 36 include issuance of bonds and notes; levying of taxes for maintenance and operation expenses and for the repayment of bonds and notes; and, assessment of production fees, export fees, and administrative fees.

5) Board of Directors- The District would be governed by a board of five elected permanent directors serving staggered four-year terms. Unlike general law GCDs, directors would be elected according to the commissioners precinct method with one director elected from each county commissioners precinct and one director elected at-large. Temporary directors are to be appointed by the commissioner's court within ten days of the effective date of the Act. The temporary directors are responsible for scheduling and conducting the District's confirmation election within 120 days of the effective date of the Act. The temporary directors become the initial directors if the District is confirmed by the voters. Two initial directors would serve until the first permanent directors election in November of the first even-numbered year after the year in which the District is confirmed by election, and the other three initial directors would serve until the second permanent directors election in November of the second even-numbered year. The appropriate number of directors would then be elected in November of each subsequent second year. General law GCDs under Texas Water Code, Chapter 36, have 5 to 11 directors elected by the general precinct method. In some general law GCD creation cases, commissioners' courts are provided 90 days to appoint temporary directors.

6) Eminent Domain- Unlike general law GCDs under Texas Water Code, Chapter 36, the District is prohibited from exercising the power of eminent domain.

7) Ability to Tax- Similar to general law GCDs under Texas Water Code, Chapter 36, the District is authorized to levy a maintenance tax and to levy a tax for the repayment of bonds or notes. Both types of taxes are subject to voter authorization. The District may not levy a tax that exceeds \$0.02 per \$100 assessed valuation of property. Under Texas Water Code, Chapter 36, the maintenance tax for general law GCDs may

not exceed \$0.50 per \$100 assessed valuation and the tax rate for the repayment of bonds or notes is not limited.

8) Ability To Exclude Property- As with general law for GCDs, there are no provisions to exclude property.

9) Overlapping Services- There is one GCD in Victoria County. The bill provides for the repeal of Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, (HB2643), governing the existing Crossroads Groundwater Conservation District in Victoria County. However, the bill does not provide for the repeal of Chapter 966, Article 3, Part 2, Acts of the 77th Legislature, Regular Session, 2001, (SB2, Article 3, Part 2), which also governs the existing Crossroads Groundwater Conservation District.

The primary functions of GCDs are conservation and management of groundwater resources through data collection, rules and well permitting within their boundaries. These functions do not conflict with the services provided by the other water utilities or districts in the same area. The District's boundaries include the service areas of other water utilities and districts with Certificates of Convenience and Necessity (CCN). The other known water supply or sewer-service corporations, investor-owned utilities, or local water districts or authorities in the District are the Guadalupe-Blanco River Authority, the Quail Creek MUD (Reg. No. P0425), the Victoria County Drainage Districts 2 and 3, the Victoria County Navigation District, the Victoria County WCIDs 1 (Reg. No. P0478) and 2 (P0479), the Aquasource Utility Inc. (CCN Nos. 11157 & 20453), the City of Victoria (CCN Nos. 10722 & 20297, the H 2 O Systems Plus (CCN No. 11548), the North Victoria Utilities Inc. (CCN No. 11817), and Victoria County (Reg. No. P0022).

10) Adequacy of Boundary Description- The District's boundaries would be the same as the county boundaries of Victoria County and form a closure. The District is located in Groundwater Management Area 15 designated by the Texas Water Development Board for the central part of the Gulf Coast aquifer. Victoria County is not located within a Priority Groundwater Management Area designated by the TCEQ.

11) Comments on Powers /Duties Different from Similar Types of Districts- Unlike general law GCDs under Texas Water Code, Chapter 36, the temporary directors can hold subsequent elections after a one-year time period, if creation of the District is defeated by the voters. If the District is not confirmed by the fifth anniversary of the effective date of the Act, the Act will expire. General law GCDs under Chapter 36 are not authorized to have subsequent creation elections. The Act, if passed, would take effect on September 1, 2005.

12) TCEQ's Supervision- Same as for general law GCDs, including bond review authority. The TCEQ's supervision authority as it is related to the District's development and implementation of a groundwater management plan would be the same as for general law GCDs. As with general law GCDs, the District would not have to comply with TCEQ financial auditing requirements.

13) State Water Plan Objectives- Water Use: Within Victoria County, 98 percent of the total water use was groundwater in the year 2000. Fifty-six percent of the groundwater use was for municipal purposes. The proposed district would be partially located over the Gulf Coast Aquifer. The county's total water use to be included in the 2007 State Water Plan is projected to grow relatively little, from a year 2000 total of 48,794 acre feet of use to 50,992 acre feet of use in 2050.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality
LBB Staff: JOB, WK

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 19, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation of the Victoria County Groundwater Conservation District; providing authority to impose a tax and issue bonds; abolishing the Crossroads Groundwater Conservation District.), **Committee Report 1st House, Substituted**

<p>No fiscal implication to the State is anticipated.</p>
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Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, WK, DLBa

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 79TH LEGISLATIVE REGULAR SESSION

April 8, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: **HB3423** by Morrison (Relating to the creation, administration, powers, duties, operation, and financing of the Victoria County Groundwater Conservation District.), **As Introduced**

No fiscal implication to the State is anticipated.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies:

LBB Staff: JOB, WK, DLBa

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

79TH LEGISLATIVE REGULAR SESSION

April 21, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation of the Victoria County Groundwater Conservation District; providing authority to impose a tax and issue bonds; abolishing the Crossroads Groundwater Conservation District.), **Committee Report 1st House, Substituted**

The Legislative Budget Board in cooperation with the Water Development Board (TWDB) and Texas Commission on Environmental Quality (TCEQ), has determined the following:

Subject to a confirmation election, the bill would create the Victoria County Groundwater Conservation District (District) providing for the powers, duties, administration, operations and financing of the District. The bill authorizes the District with the powers and duties of Texas Water Code, Chapter 36, related to the general law for Groundwater Conservation Districts (GCDs).

1) Population- The Victoria County population projections to be used in the 2007 State Water Plan show significant growth from a 2000 population of 84,088 to 93,073 in 2010.

2) Location & Size- The District's boundaries would be coextensive with the boundaries of Victoria County.

3) Powers- Same as general law GCDs under Texas Water Code, Chapter 36, with some taxing and regulatory limitations as noted below.

4) District Finances- Same as general law GCDs under Texas Water Code, Chapter 36, with the taxing limitation noted below. District finances under Chapter 36 include issuance of bonds and notes; levying of taxes for maintenance and operation expenses and for the repayment of bonds and notes; and, assessment of production fees, export fees, and administrative fees.

5) Board of Directors- The District would be governed by a board of five elected permanent directors serving staggered four-year terms. Unlike general law GCDs, directors would be elected according to the commissioners precinct method with one director elected from each county commissioners precinct and one director elected at-large. Temporary directors are to be appointed by the commissioner's court within ten days of the effective date of the Act. The temporary directors are responsible for scheduling and conducting the District's confirmation election within 120 days of the effective date of the Act. The temporary directors become the initial directors if the District is confirmed by the voters. Two initial directors would serve until the first permanent directors election in November of the first even-numbered year after the year in which the District is confirmed by election, and the other three initial directors would serve until the second permanent directors election in November of the second even-numbered year. The appropriate number of directors would then be elected in November of each subsequent second year. General law GCDs under Texas Water Code, Chapter 36, have 5 to 11 directors elected by the general precinct method. In some general law GCD creation cases, commissioners' courts are provided 90 days to appoint temporary directors.

6) Eminent Domain- Unlike general law GCDs under Texas Water Code, Chapter 36, the District is prohibited from exercising the power of eminent domain.

7) Ability to Tax- Similar to general law GCDs under Texas Water Code, Chapter 36, the District is authorized to levy a maintenance tax and to levy a tax for the repayment of bonds or notes. Both types of taxes are subject to voter authorization. The District may not levy a tax that exceeds \$0.02 per \$100 assessed

valuation of property. Under Texas Water Code, Chapter 36, the maintenance tax for general law GCDs may not exceed \$0.50 per \$100 assessed valuation and the tax rate for the repayment of bonds or notes is not limited.

8) Ability To Exclude Property- As with general law for GCDs, there are no provisions to exclude property.

9) Overlapping Services- There is one GCD in Victoria County. The bill provides for the repeal of Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, (HB2643), governing the existing Crossroads Groundwater Conservation District in Victoria County. However, the bill does not provide for the repeal of Chapter 966, Article 3, Part 2, Acts of the 77th Legislature, Regular Session, 2001, (SB2, Article 3, Part 2), which also governs the existing Crossroads Groundwater Conservation District.

The primary functions of GCDs are conservation and management of groundwater resources through data collection, rules and well permitting within their boundaries. These functions do not conflict with the services provided by the other water utilities or districts in the same area. The District's boundaries include the service areas of other water utilities and districts with Certificates of Convenience and Necessity (CCN). The other known water supply or sewer-service corporations, investor-owned utilities, or local water districts or authorities in the District are the Guadalupe-Blanco River Authority, the Quail Creek MUD (Reg. No. P0425), the Victoria County Drainage Districts 2 and 3, the Victoria County Navigation District, the Victoria County WCIDs 1 (Reg. No. P0478) and 2 (P0479), the Aquasource Utility Inc. (CCN Nos. 11157 & 20453), the City of Victoria (CCN Nos. 10722 & 20297, the H 2 O Systems Plus (CCN No. 11548), the North Victoria Utilities Inc. (CCN No. 11817), and Victoria County (Reg. No. P0022).

10) Adequacy of Boundary Description- The District's boundaries would be the same as the county boundaries of Victoria County and form a closure. The District is located in Groundwater Management Area 15 designated by the Texas Water Development Board for the central part of the Gulf Coast aquifer. Victoria County is not located within a Priority Groundwater Management Area designated by the TCEQ.

11) Comments on Powers /Duties Different from Similar Types of Districts- Unlike general law GCDs under Texas Water Code, Chapter 36, the temporary directors can hold subsequent elections after a one-year time period, if creation of the District is defeated by the voters. If the District is not confirmed by the fifth anniversary of the effective date of the Act, the Act will expire. General law GCDs under Chapter 36 are not authorized to have subsequent creation elections. The Act, if passed, would take effect on September 1, 2005.

12) TCEQ's Supervision- Same as for general law GCDs, including bond review authority. The TCEQ's supervision authority as it is related to the District's development and implementation of a groundwater management plan would be the same as for general law GCDs. As with general law GCDs, the District would not have to comply with TCEQ financial auditing requirements.

13) State Water Plan Objectives- Water Use: Within Victoria County, 98 percent of the total water use was groundwater in the year 2000. Fifty-six percent of the groundwater use was for municipal purposes. The proposed district would be partially located over the Gulf Coast Aquifer. The county's total water use to be included in the 2007 State Water Plan is projected to grow relatively little, from a year 2000 total of 48,794 acre feet of use to 50,992 acre feet of use in 2050.

Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality
LBB Staff: JOB, WK

LEGISLATIVE BUDGET BOARD
Austin, Texas

WATER DEVELOPMENT POLICY IMPACT STATEMENT

79TH LEGISLATIVE REGULAR SESSION

April 11, 2005

TO: Honorable Robert Puente, Chair, House Committee on Natural Resources

FROM: John S. O'Brien, Deputy Director, Legislative Budget Board

IN RE: HB3423 by Morrison (Relating to the creation, administration, powers, duties, operation, and financing of the Victoria County Groundwater Conservation District.), **As Introduced**

The Legislative Budget Board in cooperation with the Water Development Board (TWDB) and Texas Commission on Environmental Quality (TCEQ), has determined the following:

Subject to a confirmation election, the bill would create the Victoria County Groundwater Conservation District (District) providing for the powers, duties, administration, operations and financing of the District. The bill authorizes the District with the powers and duties of Texas Water Code, Chapter 36, related to the general law for Groundwater Conservation Districts (GCDs).

1) Population- The Victoria County population projections to be used in the 2007 State Water Plan show significant growth from a 2000 population of 84,088 to 93,073 in 2010.

2) Location & Size- The District's boundaries would be coextensive with the boundaries of Victoria County.

3) Powers- Same as general law GCDs under Texas Water Code, Chapter 36, with some taxing and regulatory limitations as noted below.

4) District Finances- Same as general law GCDs under Texas Water Code, Chapter 36, with the taxing limitation noted below. District finances under Chapter 36 include issuance of bonds and notes; levying of taxes for maintenance and operation expenses and for the repayment of bonds and notes; and, assessment of production fees, export fees, and administrative fees.

5) Board of Directors- The District would be governed by a board of five elected permanent directors serving staggered four-year terms. Unlike general law GCDs, directors would be elected according to the commissioners precinct method with one director elected from each county commissioners precinct and one director elected at-large. Temporary directors are to be appointed by the commissioner's court within ten days of the effective date of the Act. The temporary directors are responsible for scheduling and conducting the District's confirmation election within 120 days of the effective date of the Act. The temporary directors become the initial directors if the District is confirmed by the voters. Two initial directors would serve until the first permanent directors election in November of the first even-numbered year after the year in which the District is confirmed by election, and the other three initial directors would serve until the second permanent directors election in November of the second even-numbered year. The appropriate number of directors would then be elected in November of each subsequent second year. General law GCDs under Texas Water Code, Chapter 36, have 5 to 11 directors elected by the general precinct method. In some general law GCD creation cases, commissioners' courts are provided 90 days to appoint temporary directors.

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limited.

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9) Overlapping Services- There is one GCD in Victoria County. The bill provides for the repeal of Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, (HB2643), governing the existing Crossroads Groundwater Conservation District in Victoria County. However, the bill does not provide for the repeal of Chapter 966, Article 3, Part 2, Acts of the 77th Legislature, Regular Session, 2001, (SB2, Article 3, Part 2), which also governs the existing Crossroads Groundwater Conservation District.

The primary functions of GCDs are conservation and management of groundwater resources through data collection, rules and well permitting within their boundaries. These functions do not conflict with the services provided by the other water utilities or districts in the same area. The District's boundaries include the service areas of other water utilities and districts with Certificates of Convenience and Necessity (CCN). The other known water supply or sewer-service corporations, investor-owned utilities, or local water districts or authorities in the District are the Guadalupe-Blanco River Authority, the Quail Creek MUD (Reg. No. P0425), the Victoria County Drainage Districts 2 and 3, the Victoria County Navigation District, the Victoria County WCIDs 1 (Reg. No. P0478) and 2 (P0479), the Aquasource Utility Inc. (CCN Nos. 11157 & 20453), the City of Victoria (CCN Nos. 10722 & 20297, the H 2 O Systems Plus (CCN No. 11548), the North Victoria Utilities Inc. (CCN No. 11817), and Victoria County (Reg. No. P0022).

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Source Agencies: 580 Water Development Board, 582 Commission on Environmental Quality

LBB Staff: JOB, WK

Kathleen Hartnett White, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
Larry R. Soward, *Commissioner*
Glenn Shankle, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

The Honorable Tom Craddick
Texas House of Representatives
Capitol Station
PO Box 2910
Austin, Texas 78768-2910

Re: Responsibility of the Texas Commission on Environmental Quality (TCEQ) Pursuant to Article XVI,
Section 59(d), Texas Constitution

HB-3423, as Filed by Representative Geanie Morrison - Relating to the Creation, Administration,
Powers, Duties, Operation, and Financing of the Victoria County Groundwater Conservation District

Dear Speaker Craddick:

The enclosed comments are provided pursuant to the Constitutional requirements referenced above. Under those requirements, the TCEQ must submit, to the Governor, Lieutenant Governor and Speaker of the House of Representatives, the TCEQ's recommendations on specific legislation affecting water districts. We recommend that these comments be considered in the evaluation of the proposed legislation.

Sincerely,

for Nancy Bauer
Michael D. Cowan, Director
Water Supply Division

MDC/NB/kwm/ac

Enclosure

cc: The Honorable Robert Puente, Chairman, House Natural Resources Committee
The Honorable Representative Geanie Morrison, Texas House of Representatives

H.B. 3423, as Filed by Representative Geanie Morrison
Texas Commission on Environmental Quality Comments

Subject to a confirmation election, the bill creates the Victoria County Groundwater Conservation District (District) providing for the powers, duties, administration, operations and financing of the District. The bill authorizes the District with the powers and duties of Texas Water Code, Chapter 36, related to the general law for Groundwater Conservation Districts (GCDs).

Purpose. Same as general law GCDs under Texas Water Code, Chapter 36, to provide for the conservation, preservation, protection, recharging, and prevention of waste of groundwater, and to control subsidence caused by the withdrawal of groundwater.

Location & Size. The District's boundaries would be coextensive with the boundaries of Victoria County.

Powers. Same as general law GCDs under Texas Water Code, Chapter 36, with some taxing and regulatory limitations as noted below.

District Finances. Same as general law GCDs under Texas Water Code, Chapter 36, with the taxing limitation noted below. District finances under Chapter 36 include issuance of bonds and notes; levying of taxes for maintenance and operation expenses and for the repayment of bonds and notes; and, assessment of production fees, export fees, and administrative fees.

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Ability to Exclude Territory. As with general law for GCDs, there are no provisions to exclude territory.

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Comments on Powers /Duties Different from Similar Types of Districts. Unlike general law GCDs under Texas Water Code, Chapter 36, the temporary directors can hold subsequent elections after a one-year time period, if creation of the District is defeated by the voters. If the District is not confirmed by the fifth anniversary of the effective date of the Act, the Act will expire. General law GCDs under Chapter 36 are not authorized to have subsequent creation elections. The Act, if passed, would take effect on September 1, 2005.

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**NOTICE OF INTENT TO
INTRODUCE LEGISLATION**
This is to give notice of intent
to introduce in the 79th Legis-
lature, Regular Session, a bill
to be entitled an Act relating to
creation of the Victoria County
Groundwater Conservation
District within the boundaries
of Victoria County; providing
for powers of the district; an
approval election, and repeal
of the existing Crossroads
Groundwater Conservation
District. This Notice is pro-
vided by the Victoria County
Commissioners Court.
Donald R. Pozzi
(139)

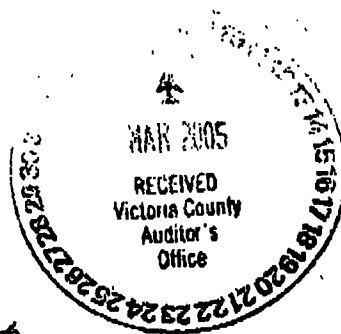
The State of Texas,
County of Victoria

Before me, the undersigned authority, on this day personally appeared Sandra Rodriguez,
who being by me duly sworn, states on oath that she is the Classified Bookkeeper of
the Victoria Advocate, a newspaper published in Victoria, Victoria County, Texas and
generally circulated in Bee, Calhoun, Colorado, Dewitt, Fayette, Goliad, Gonzales,
Jackson, Karnes, Lavaca, Matagorda, Refugio, Wharton & Victoria Counties,
that the attached printed notice in the case of VICTORIA COUNTY JUDGES OFFICE

LEGAL #2005133

was published in The Victoria Advocate on the following dates:

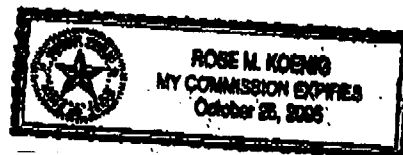
FEBRUARY 16, 2005



Sandra Rodriguez
SANDRA RODRIGUEZ
CLASSIFIED BOOKKEEPER

Sworn to and subscribed before me this 23rd day of FEBRUARY, 2005

Rose M. Koenig
Notary Public in and for Victoria County, Texas



VICTORIA ADVOCATE, Wednesday, February 16, 2005--5B

**NOTICE OF INTENT TO
INTRODUCE LEGISLATION**

This is to give notice of intent to introduce in the 79th Legislature, Regular Session, a bill to be entitled an Act relating to creation of the Victoria County Groundwater Conservation District within the boundaries of Victoria County, providing for powers of the district, an approval election, and repeal of the existing Crossroads Groundwater Conservation District. This Notice is provided by the Victoria County Commissioners Court.
Donald R. Pozzi
(133)

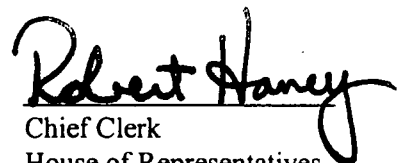
LETTER OF TRANSMITTAL
HOUSE OF REPRESENTATIVES
STATE OF TEXAS
HB 3423
Bill Number

TO: The Honorable Governor of Texas
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to transmit to you and the Texas Commission on Environmental Quality copies of a bill relating to a conservation and reclamation district and copies of the notice of intention to introduce the bill. One copy is for your files and one for you to forward to the Texas Commission on Environmental Quality, under Section 59(d), Article XVI, Constitution of the State of Texas.

MAR 14 2005

Date transmitted to
Governor's Office


Chief Clerk
House of Representatives

TO: Texas Commission on Environmental Quality
SUBJECT: A Bill Relating to a Conservation and Reclamation District

This is to forward to you a copy of a bill relating to a conservation and reclamation district and a copy of the notice of intention to introduce the bill.

3-22-05

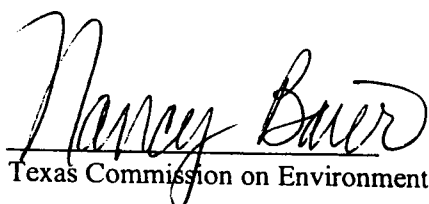
Date transmitted to
Texas Commission on Environmental Quality


Governor

TO: The Honorable Speaker of the House
The Honorable President of the Senate
The Honorable Governor of Texas

SUBJECT: A Bill Relating to a Conservation and Reclamation District

Attached are the recommendations of the Texas Commission on Environmental Quality in compliance with Section 59(d), Article XVI, Constitution of the State of Texas.


Texas Commission on Environmental Quality

REQUEST FOR LOCAL & UNCONTESTED CALENDAR PLACEMENT

SENATOR CHRIS HARRIS, CHAIRMAN
SENATE COMMITTEE ON ADMINISTRATION

Notice is hereby given that HB 3423, by Morrison / Armbrister
(Bill No.) (Author/Sponsor)
was heard by the Committee on Natural Resources on 5/20,
2005,

and reported out with the recommendation that it be placed on the Local and Uncontested Calendar.

Kelly C. Millett
(Clerk of the reporting committee)

IMPORTANT: A COPY OF THIS FORM MUST BE ATTACHED TO A COMMITTEE PRINTED VERSION OF THE BILL OR RESOLUTION AND SHOULD BE DELIVERED TO THE ADMINISTRATION COMMITTEE OFFICE, E1.714. DEADLINES FOR SUBMITTING BILLS AND RESOLUTIONS WILL BE ANNOUNCED ON A REGULAR BASIS.

ENROLLED

H.B. No. 3423

AN ACT

relating to the creation of the Victoria County Groundwater Conservation District; providing authority to impose a tax and issue bonds; abolishing the Crossroads Groundwater Conservation District.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle H, Title 6, Special District Local Laws Code, is amended by adding Chapter 8812 to read as follows:

CHAPTER 8812. VICTORIA COUNTY GROUNDWATER

CONSERVATION DISTRICT

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 8812.001. DEFINITIONS. In this chapter:

(1) "Board" means the board of directors of the district.

(2) "Director" means a member of the board.

(3) "District" means the Victoria County Groundwater Conservation District.

Sec. 8812.002. NATURE OF DISTRICT. The district is a groundwater conservation district in Victoria County created under and essential to accomplish the purposes of Section 59, Article XVI, Texas Constitution.

Sec. 8812.003. CONFIRMATION ELECTION REQUIRED. If the creation of the district is not confirmed at a confirmation election held before September 1, 2010:

1 (1) the district is dissolved on September 1, 2010,
2 except that:

3 (A) any debts incurred shall be paid;
4 (B) any assets that remain after the payment of
5 debts shall be transferred to Victoria County; and
6 (C) the organization of the district shall be
7 maintained until all debts are paid and remaining assets are
8 transferred; and

9 (2) this chapter expires on September 1, 2013.

10 Sec. 8812.004. INITIAL DISTRICT TERRITORY. The initial
11 boundaries of the district are coextensive with the boundaries of
12 Victoria County, Texas.

13 Sec. 8812.005. APPLICABILITY OF OTHER GROUNDWATER
14 CONSERVATION DISTRICT LAW. Except as otherwise provided by this
15 chapter, Chapter 36, Water Code, applies to the district.

16 [Sections 8812.006-8812.020 reserved for expansion]

17 SUBCHAPTER A-1. TEMPORARY PROVISIONS

18 Sec. 8812.021. APPOINTMENT OF TEMPORARY DIRECTORS. (a)
19 Not later than the 10th day after September 1, 2005, the Victoria
20 County Commissioners Court shall appoint five temporary directors
21 as follows:

22 (1) one temporary director shall be appointed from
23 each of the four commissioner precincts in the county to represent
24 the precinct in which the temporary director resides; and

25 (2) one temporary director who resides in the district
26 shall be appointed to represent the district at large.

27 (b) If there is a vacancy on the temporary board of

1 directors of the district, the remaining temporary directors shall
2 select a qualified person to fill the vacancy. If, at any time,
3 there are fewer than three qualified temporary directors, the
4 Victoria County Commissioners Court shall appoint the necessary
5 number of persons to fill all vacancies on the board.

6 (c) To be eligible to serve as a temporary director, a
7 person must be a resident of Victoria County and at least 18 years
8 of age.

9 (d) Temporary directors serve until the earlier of:

10 (1) the time the temporary directors become initial
11 directors as provided by Section 8812.024; or

12 (2) the date this chapter expires under Section
13 8812.003.

14 Sec. 8812.022. ORGANIZATIONAL MEETING OF TEMPORARY
15 DIRECTORS. As soon as practicable after all the temporary
16 directors have qualified under Section 36.055, Water Code, a
17 majority of the temporary directors shall convene the
18 organizational meeting of the district at a location within the
19 district agreeable to a majority of the directors. If an agreement
20 on location cannot be reached, the organizational meeting shall be
21 at the Victoria County Courthouse. At the meeting, the temporary
22 directors shall elect a chair, vice chair, and secretary from among
23 the temporary directors.

24 Sec. 8812.023. CONFIRMATION ELECTION. (a) Not later than
25 the 30th day after September 1, 2005, the temporary board shall
26 order an election to be held not later than the 120th day after
27 September 1, 2005, to confirm the creation of the district.

1 (b) Section 41.001(a), Election Code, does not apply to a
2 confirmation election held as provided by this section.

3 (c) The ballot for the election must be printed to permit
4 voting for or against the following proposition: "The creation of
5 the Victoria County Groundwater Conservation District and the
6 imposition of an ad valorem tax in the district at a rate not to
7 exceed two cents for each \$100 of assessed valuation."

8 (d) The temporary board may include any other proposition on
9 the ballot that it considers necessary.

10 (e) Except as provided by this section, a confirmation
11 election must be conducted as provided by Section 36.017(b)-(i),
12 Water Code, and the Election Code. The provision of Section
13 36.017(d), Water Code, relating to the election of permanent
14 directors does not apply to a confirmation election under this
15 section.

16 (f) If the creation of the district is not confirmed at a
17 confirmation election held under this section, the board may hold
18 another confirmation election not sooner than the first anniversary
19 of the most recent confirmation election.

20 Sec. 8812.024. INITIAL DIRECTORS. (a) If creation of the
21 district is confirmed at an election held under Section 8812.023,
22 the temporary directors of the district become the initial
23 directors of the district and serve on the board of directors until
24 permanent directors are elected under Section 8812.025.

25 (b) The directors for county commissioner precincts one and
26 three serve until the first regularly scheduled election of
27 directors under Section 8812.025. The directors for precincts two

1 and four and the director at large serve until the second regularly
2 scheduled election of directors under Section 8812.025.

3 Sec. 8812.025. INITIAL ELECTION OF PERMANENT DIRECTORS. On
4 the uniform election date prescribed by Section 41.001, Election
5 Code, in November of the first even-numbered year after the year in
6 which the creation of the district is confirmed at an election held
7 under Section 8812.023, an election shall be held in the district
8 for the election of two directors to replace the initial directors
9 who, under Section 8812.024(b), serve until that election.

10 Sec. 8812.026. EXPIRATION OF SUBCHAPTER. This subchapter
11 expires September 1, 2013.

12 [Sections 8812.027-8812.050 reserved for expansion]

13 SUBCHAPTER B. BOARD OF DIRECTORS

14 Sec. 8812.051. DIRECTORS; TERMS. (a) The district is
15 governed by a board of five directors.

16 (b) Directors serve staggered four-year terms.

17 Sec. 8812.052. METHOD OF ELECTING DIRECTORS: COMMISSIONERS
18 PRECINCTS. (a) The directors of the district shall be elected
19 according to the commissioners precinct method as provided by this
20 section.

21 (b) One director shall be elected by the voters of the
22 entire district, and one director shall be elected from each county
23 commissioners precinct by the voters of that precinct.

24 (c) Except as provided by Subsection (e), to be eligible to
25 be a candidate for or to serve as director at large, a person must be
26 at least 18 years of age and a resident of the district. To be a
27 candidate for or to serve as director from a county commissioners

1 precinct, a person must be at least 18 years of age and a resident of
2 that precinct.

3 (d) A person shall indicate on the application for a place
4 on the ballot:

5 (1) the precinct that the person seeks to represent;
6 or

7 (2) that the person seeks to represent the district at
8 large.

9 (e) When the boundaries of the county commissioners
10 precincts are redrawn after each federal decennial census to
11 reflect population changes, a director in office on the effective
12 date of the change, or a director elected or appointed before the
13 effective date of the change whose term of office begins on or after
14 the effective date of the change, shall serve in the precinct to
15 which elected or appointed even though the change in boundaries
16 places the person's residence outside the precinct for which the
17 person was elected or appointed.

18 Sec. 8812.053. ELECTION DATE. The district shall hold an
19 election to elect the appropriate number of directors on the
20 uniform election date prescribed by Section 41.001, Election Code,
21 in November of each even-numbered year.

22 Sec. 8812.054. VACANCIES. A vacancy on the board shall be
23 filled by appointment of the board until the next regularly
24 scheduled directors' election. The person appointed to fill the
25 vacancy shall serve only for the remainder of the unexpired term.

26 [Sections 8812.055-8812.100 reserved for expansion]

SUBCHAPTER C. POWERS AND DUTIES

Sec. 8812.101. PROHIBITION ON DISTRICT USE OF EMINENT DOMAIN. The district may not exercise the power of eminent domain.
[Sections 8812.102-8812.150 reserved for expansion]

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

Sec. 8812.151. LIMITATION ON TAXES. The district may not impose ad valorem taxes at a rate that exceeds two cents on each \$100 of assessed valuation of taxable property in the district.

SECTION 2. Chapter 1332, Acts of the 77th Legislature, Regular Session, 2001, is repealed.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

(b) The governor has submitted the notice and Act to the Texas Commission on Environmental Quality.

(c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives within the required time.

(d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.

H.B. No. 3423

1 SECTION 4. This Act takes effect September 1, 2005.

President of the Senate

Speaker of the House

I certify that H.B. No. 3423 was passed by the House on May 13, 2005, by a non-record vote.

Chief Clerk of the House

I certify that H.B. No. 3423 was passed by the Senate on May 25, 2005, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____
Date

Governor

President of the Senate

Speaker of the House

I certify that H.B. No. 3423[✓] was passed by the House
(1)

on May 13[✓], 2005, by a non-record vote.
(2)

Chief Clerk of the House

I certify that H.B. No. 3423[✓] was passed by the Senate

on May 25[✓], 2005, by the following vote:
(3)

Yeas 31[✓], Nays 0[✓]
(4) (5)

Secretary of the Senate

APPROVED:

Date

Governor

**** Preparation: CT26

A BILL TO BE ENTITLED
AN ACT

relating to the creation, administration, powers, duties, operation,
and financing of the ~~Victoria~~ Victoria County Groundwater Conservation District.

MAR 11 2005

Filed with the Chief Clerk

MAR 23 2005

Read first time and referred to Committee on Natural Resources

APR 18 2005

Reported favorably (~~unfavorably~~)
(as substituted)

APR 29 2005

Sent to Committee on (~~Subcommittee~~)
(Local & Consent Calendars)

MAY 13 2005

Read second time (comm. subst.) (amended); passed to third reading (~~failed~~) by a (non-record vote)
(~~record vote of~~ yeas, nays, present, not voting)Constitutional rule requiring bills to be read on three several days suspended (failed to suspend)
by a vote of yeas, nays, present, not voting

MAY 13 2005

Read third time (amended); finally passed (~~failed to pass~~) by a (non-record vote)
(~~record vote of~~ yeas, nays, present, not voting)

Engrossed

MAY 16 2005

Sent to Senate

Robert Haney

CHIEF CLERK OF THE HOUSE

OTHER HOUSE ACTION:

MAY 16 2005

Received from the House

MAY 17 2005

Read and referred to Committee on NATURAL RESOURCES

MAY 21 2005

Reported favorably _____

Reported adversely, with favorable Committee Substitute; Committee Substitute read first time

Ordered not printed

Laid before the Senate

MAY 25 2005

Senate and Constitutional Rules to permit consideration suspended by (unanimous consent)
(yeas, nays)

MAY 25 2005

Read second time, _____, and passed to third reading by (unanimous consent)
(a viva voce vote)
(yeas, nays)

MAY 25 2005

Senate and Constitutional 3 Day Rules suspended by a vote of 31 yeas, 0 nays

MAY 25 2005

Read third time, _____, and passed by a (viva voce vote)
(31 yeas, 0 nays)

May 25, 2005

Returned to the House

Lataf Spaul

SECRETARY OF THE SENATE

OTHER SENATE ACTION:

MAY 25 2005

Returned from the Senate (no record vote)
(with no record vote)

House concurred in Senate amendments by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

House refused to concur in Senate amendments and requested the appointment of a conference committee
by a (non-record vote) (record vote of _____ yeas, _____ nays, _____ present, not voting)

House conferees appointed: _____, Chair; _____,
_____, _____, _____

Senate granted House request. Senate conferees appointed: _____, Chair;
_____, _____, _____

Conference committee report adopted (rejected) by the House by a (non-record vote)
(record vote of _____ yeas, _____ nays, _____ present, not voting)

Conference committee report adopted (rejected) by the Senate by a (viva voce vote)
(record vote of _____ yeas, _____ nays)

05 APR 28 PM 5:03

HOUSE OF REPRESENTATIVES